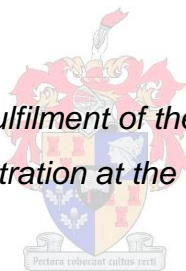


“Improving the Existing Public Sector Strategic Planning
Guidelines towards Integrated Provincial and Local Government
Strategic Planning Processes: Lessons from the Eastern Cape”

by
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*Thesis presented in partial fulfilment of the requirements for the degree
Master of Public Administration at the University of Stellenbosch*



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March 2012

DECLARATION

I hereby declare that this thesis, which I am submitting electronically, is a product of my own effort, and has never been submitted to any institution of learning for academic purposes. Where I have used information from other sources, I acknowledged these sources in-text and in my reference list.

Malusi Maxegwana

March 2012

ABSTRACT

The practice of public-sector strategic planning has gained dominance in public sector management in imitation of the concept of strategy in military science and later of the practice of strategic planning in the private sector. Its institutionalisation in the public sector should be welcomed as a positive development.

The policy and regulatory framework instils a culture of cooperative governance through the promotion of effective intra- and inter-governmental relations that assume a developmental approach to planning. It is this culture that sets parameters within which the practice of strategic planning should be managed in the public sector. Strategy alignment is critical in achieving cooperative governance in strategic planning, as is shown in this study.

The study sought to establish the extent to which the existing strategic planning guidelines could be manipulated to achieve alignment between the provincial and local spheres of government.

A qualitative study was performed. It relied on both a non-empirical literature review and an empirical investigation to generate its data. Interviews were conducted with representatives of a sample of four Provincial Departments and seven different Municipalities drawn from the three categories of Local Government, namely metropolitan, local and district Municipalities. The Eastern Cape Provincial Government structure with its composite Municipalities constituted the case selected for this study.

The study revealed that strategic planning in the province assumes different formats ranging from basic and medium-term to comprehensive and long-term, as well as sector- and project-specific strategic planning processes.

The public sector strategic processes are politically influenced, taking their tone from political directives, but driven mainly by administrators. Whereas the active participation of politicians in shaping integrated development plans (IDPs) as the principal strategic plans for Municipalities is acknowledged, the concern that politicians at a provincial level are playing a limited role in shaping Provincial Departments' strategic plans remains relevant.

It is vital that the political governance centre in the province; namely the premier's office, should take charge of coordinating strategic planning and should be responsible for the alignment efforts of the government structures in the province.

Strategic planning plays a significant role in defining the organisational growth path of every public-sector organisation, as well as the management of public resources, financial and non-financial.

This study advocates for learning as a central organisational value and recommends that the existing strategic-planning guidelines be improved to embody a cooperative governance approach.

OPSOMMING

Die toonaangewende posisie wat strategiese beplanningspraktyk in die openbare sektor, binne die kader van bestuur in die openbare sektor, verwerf het, het beslag gekry weens die nabootsing van strategiese beplanningskonsepte eie aan die militêre wetenskapsmilieu. Dit is later versterk deur navolging van strategiese beplanningsmodelle uit die privaatsektor. Die institusionalisering van strategiese beplanning in die openbare sektor moet as 'n positiewe ontwikkeling verwelkom word.

Beleidstelling en 'n reguleringsraamwerk vestig 'n sterk korporatiewe verantwoordelikhedsin. Dit word bewerkstellig deur die bevordering van effektiewe intra- en interregeringsverhoudinge, wat 'n ontwikkelingsbenadering tot beplanning veronderstel. Hierdie kultuur omskryf die raamwerk vir die toepassing van strategiese beplanning in die openbare sektor. Soos hierdie ondersoek aandui, is 'n voorvereiste vir deelnemende bestuur, wanneer daar strategies beplan word, koördinering van strategie.

Die ondersoek het ten doel gehad om te bepaal tot watter mate bestaande strategiese beplanningsriglyne aangepas kon word om gerigtheid tussen provinsiale en plaaslike regeringsfere te bewerkstellig.

'n Kwalitatiewe ondersoek is gedoen, gebaseer op navorsingsdata verkry uit sowel 'n nie-empiriese literatuurstudie as 'n empiriese ondersoek. Onderhoude is gevoer met verteenwoordigers van 'n monster werknemers, saamgestel vanuit vier provinsiale departemente en sewe verskillende munisipaliteite. Die volle spektrum van plaaslike regeringsinstellings is gedek, naamlik metropolitaanse, plaaslike en distriksmunisipaliteite. Die provinsiale regeringstruktuur van die Oos-Kaap en sy saamgestelde munisipaliteitstrukture vorm die basis vir hierdie gevallestudie.

Die ondersoek het aangedui dat strategiese beplanning in hierdie provinsie verskeie vorme aanneem; dit wissel in formaat van basies en mediumtermyn tot omvattend en langtermyn, asook sektorale en projekspesifieke strategiese beplanningsprosesse.

Die strategiese proses van die openbare sektor word polities beïnvloed deur die politieke ondertoon teenwoordig in direkteure, maar dit is hoofsaaklik administrateurs wat die agenda bepaal. Alhoewel die aktiewe betrokkenheid van politici in die daarstelling van geïntegreerde ontwikkelingsplanne (GOP's), die hoof strategiese planne vir munisipaliteite, erken word, is daar steeds rede tot kommer dat politici op provinsiale vlak slegs 'n

beperkte rol vervul as dit kom by die skep van die provinsiale departemente se strategiese planne.

Dit is van kritieke belang dat die kern van politieke bestuur, naamlik die kantoor van die premier, in beheer van die koördinering van strategiese beplanning moet wees en verantwoordelikheid sal aanvaar vir die koördineringspogings van regeringstrukture in die provinsie.

Strategiese beplanning speel 'n betekenisvolle rol wanneer die organisatoriese ontwikkelingspad vir elke openbare sektor instelling uitgestippel word, asook by die bestuur van openbare bronne; sowel finansiële as nie-finansiële.

Hierdie ondersoek maak voorspraak vir die beklemtoning van kennisontwikkeling as 'n sentrale organisatoriese noodsaak en beveel aan dat bestaande strategiese beplanningsriglyne sodanig aangepas word dat dit 'n koöperatiewe bestuursplan vir beter deelnemende bestuur beliggaam.

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LIST OF ABBREVIATIONS

ANC	African National Congress
APP	Annual Performance Plans
CDW	Community Development Workers
COGTA	Cooperative Governance and Traditional Affairs
DPLG	Department of Provincial and Local Government
EC	Eastern Cape
ECSECC	Eastern Cape Socio-Economic Consultative Council
GTZ	German Technical Corporation
IDP	Integrated Development Planning
IDPRP	IDP Representative Forum
IGR	Inter-Governmental Relations
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NPC	National Planning Commission
NSDF	National Spatial Development Framework
NT	National Treasury
OTP	Office of The Premier
PESTEL	Political, Economic, Social, Technological, Environmental and Legal Factors
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PPC	Provincial Planning Commission
PSDF	Provincial Spatial Development Framework
PT	Provincial Treasury
SA	South Africa
SDBIP	Service Delivery and Budget Improvement Plan
SDF	Spatial Development Framework

SONA	State Of the Nation Address
SOPA	State Of the Province Address
SWOT	Strengths, Weaknesses, Opportunities and Threats
SP	Strategic Planning

CHAPTER 1 INTRODUCTION

1.1. Introduction and Background

The advent of democratic political governance in South Africa in the 1990s, which manifested itself through the 1994 democratic elections, gave rise to a systematic approach to governance that acknowledges the complexity and inter-linkages that make our society work. This approach, which assumes a systems view of society, recognised the primacy and the importance of planning in shaping the functioning of the state and society.

As a point of departure, the South African government acknowledged that apartheid planning placed enormous challenges on the South African renaissance project, which frustrated its efforts in building a democratic developmental state. This attitude informed the government's approach to planning, as will be shown in chapter 3 of this document. From the outset the democratic government made it clear that its mission was to create a democratic developmental state that would redress the ills of the past apartheid state and create a society that embodies democratic principles and champions developmental goals.

According to Edigheji (2005, p.9), a democratic developmental state epitomises the doctrine of electoral democracy that places the populace at the centre of state governance and societal development. On the one hand, the developmental state is directed in its approach by its endeavours to satisfy its socio-economic strategic objectives (Edigheji, 2005, p.10); on the other hand, as a democratic state its disposition is defined through its electoral and governance practices.

Levin (2007, p.6) suggests that it is essential for the developmental state to be capable of planning its interventions to direct the employment of its societal resources towards achieving its developmental goals, as well as to enhance its capacity to intervene.

An emphasis should be placed on the state's planning capability, as this facilitates the systematic use of societal resources towards the realisation of its developmental goals.

Planning helps to direct the organisational efforts (public, private or non-profit) towards the desired goals (ends), and its use in the public sector is influenced by the political interests of the state in realising its political agenda.

It is therefore necessary that public sector planning in the new democratic dispensation in South Africa is used to redress the ills of the past apartheid state. It is this pro-developmental approach in a democratic setting that embodies the elements of a democratic developmental state, which the South African public sector is now embracing.

Llewellyn and Tappin (2003, p.956) point out that the recent emergence of the practice of strategic planning in the public sector may be attributed to two factors: the “push” for professional control in the delivery of public services and the requirements for public sector funding (particularly from third-party funding sources).

1.2. Rationale

Section 40 of the Constitution of the Republic of South Africa, 1996, herein referred to as the Constitution, 1996 prescribes that “in the Republic, government is constituted as national, provincial and local spheres of government which are distinctive, inter-dependent and interrelated.”

The concept of “distinctiveness” captures the essence of the notion of the “spheres of government.” It indicates that there has been a paradigm shift from the previous hierarchical, status-driven and uncooperative tiers of government to a system where interdependency is emphasised.

The concepts of interdependence and interrelatedness capture the essence of the notion of the cooperative system of governance. These characteristics should be reflected in the manner in which government plans its interventions in all spheres.

According to Pimstone (2002, p.7) it is these characteristics that make the relationship between the spheres of government complex, since the system also brings about a situation in which some powers are shared among the spheres, a situation which could be misconstrued as inviting some level of competition among them.

It is expected of the public sector to function in a complementary manner, thus making optimal use of limited public resources. Collaboration at the level of policy formulation, planning, execution, monitoring, support and review are imperative if success in public sector service delivery is to be realised.

Historically, the practice of strategic planning has been primarily concerned with gaining competitive advantage against others. This is not the case in the public sector, which can achieve more through working collaboratively with other role-players.

It is against this background that the policy and legislative framework governing the functioning of government structures in South Africa enforces cooperation. The South African Constitution and the IGR Framework Act seek to inculcate a culture of cooperation and collaboration rather than competition.

The introduction of Integrated Development Planning (IDP) in 2002 by the then Department of Provincial and Local Government¹ (DPLG) had as its purpose the reorientation of government planning at a local level towards redressing the imbalances of the past. It seeks to foster cooperation and serve as a platform for stakeholder engagement concerning the mapping of the local socio-economic development path. It achieves this through facilitating consistencies in government efforts at all levels to maximise the benefits accorded to local citizens.

It is unfortunate that section 35 (1) of the Municipal Systems Act, 2000 (Republic of South Africa, 2000) makes IDP a legal requirement only for Municipalities, and does not extend the requirement to other spheres of government.

The provincial strategic planning framework for all Government Departments and Agencies is set out by the National Treasury through its framework for the development of Strategic Plans (SPs) and Annual Performance Plans (APPs) (Republic of South Africa, 2001). The development of IDPs by all Municipalities, as well as the development of SPs and APPs by the Provincial Government Departments and Agencies, constitutes the basis for the acceptance of Municipal and Departmental budgets by the Provincial and National Treasury, who emphasise the strong relationship between planning and budgeting.

¹ This is now the Department of Cooperative Governance and Traditional Affairs (COGTA).

In reality, integrated planning is not possible if it is one-dimensional. The approach to integrated planning has to be multi-dimensional. The expectation is that integrated public sector strategic planning should be a “two-way” process, with Local Government planning feeding into provincial planning, and the latter feeding into the former.

There is a significant gap between strategic planning at a Provincial Government level and at a Local Government level, and this leads to the duplication of efforts and the unsystematic use of public resources. This is evident in a competitive ethos between the different spheres in the service of the public and the uncoordinated manner in which public services are delivered to local citizenry.

The idea of integrated planning remains an unrealised ideal, a fact which has provoked the introduction of the Provincial Planning Commission (PPC) in the Eastern Cape. The PPC is expected to have a mandate like that of the National Planning Commission, which has just been introduced in South Africa. However, at this stage the role of the PPC has not been clarified.

Section 18 (a) of the IGR Framework Act, 2005 (Republic of South Africa, 2005) provides for Provincial and Local Government to coordinate their development planning and facilitate coherent planning for the whole province.

This study will investigate the extent to which the existing guidelines for Provincial and Local Government planning assist integrated planning, and will develop some recommendations on how they can be improved to realise and facilitate integration.

1.3. Preliminary Literature Review

Before conducting preliminary readings a review of the existing and completed research projects was performed through searching the Nexus database as at the 11th of January 2011.

The database listed a number of current and completed dissertations with various tertiary institutions of learning, that were submitted by scholars for the purpose of completing academic qualifications at Masters level in the main.

The areas in which research had been performed included the following:

- The assessment of public sector planning processes for capital projects.
- Public sector planning with specific reference to reconstruction and development programme projects.
- Planning for public sector funding of low-income housing.
- The statutory framework for physical planning in the South African public sector with specific reference to the four provincial administrations.
- Scenario development in the public sector - an aid in planning.
- Programme budgeting - a management approach for planning and control in the public sector.
- The planning of local authority public sector housing for the coloured community in Durban.
- Critical issues impacting on succession planning in the public sector, Eastern Cape Province, with respect to service delivery.
- The role of health accounts in public sector health planning with special reference to the then district health system.
- Policy-making and planning in the public sector of the Republic of Namibia.

Interest in the field of public sector strategic planning as an area of study is gaining momentum. Even though the alignment of strategic planning as an inter-government relations issue has not received much attention in the literature, it has surfaced as an area of concern for the strategic planning practitioners.

Making predictions about future research in the practice of strategic planning, Bryson (2010, pp.260-62) suggests that there would be an interest in the need for strategic planning, action and learning, as well as in approaches to strategy design. He also predicted that there will be research interest in the area of strategic alignment. It is on the basis of learning from existing approaches that this study expects to be able to improve on strategy alignment, as one area of research interest that was predicted by Bryson (2010).

Authors such as Bryson, Freeman, and Roering (1986, pp. 79-81), as cited by Bryson et al. (2010, p.499), identify one of the limitations of the literature as being its lack of engagement with the issue of strategy alignment among government structures. They point out that the literature falls short in providing direction on how public organisations could engage in collaborative efforts for strategy development.

The dearth of literature on collaborative planning and on the alignment of public sector strategic planning makes this an interesting area of study, and it is hoped that this research will contribute some ideas in this area.

1.4. Problem Statement

The existing literature provides an overview of the evolution of the practice of strategic planning in the public sector, which has now become a vital component of the new public sector management system in South Africa. Public sector strategic planning is now obligatory for all government structures and the allocation of funding from the National Treasury is conditional on its performance. The existence of the regulatory framework for planning in the public sector is meant to enforce the practice and guide its conduct.

Even in the light of the regulatory guidelines for national and Provincial Government (Republic of South Africa, 2001) as well as the IDP guidelines for Municipalities (Department of Provincial and Local Government, 2002), the manner in which planning is currently managed in the public sector falls short of the ideal for integrated planning espoused in the regulatory framework for cooperative government (Chapter 3 of the Constitution) and intergovernmental relations (as outlined in the Intergovernmental Relations Framework Act).

Current planning approaches are characterised by a lack of coherence, which leads to the duplication of organisational efforts and the expenditure of resources at different levels, including Provincial and Local Governments. This leads to inconsistencies in policy formulation and action, making it difficult for government to realise its overall goals of efficiency and effectiveness.

Chapter 3 of the SA Constitution, 1996 and the IGR Framework Act, 15 of 2005 emphasise the need for cooperation amongst government structures and call for the alignment of government efforts. Unfortunately, this is not reflected in how government plans its interventions at both Provincial and Local Government levels. The perception of this situation has provoked the performance of this research, which will, hopefully, contribute ideas on how integrated planning between Provincial Departments and Local Governments can be realised.

1.5. Research Question

In considering the problem presented in section 1.4 above, this study seeks to investigate the factors that impede the alignment of strategic planning efforts between the Provincial and Local Government levels and explores ideas on how this practice can be improved to facilitate a joint effort in public sector service delivery.

Specifically, the research question is “How can Provincial and Local Government planning guidelines (*the independent variable*) be improved to facilitate the alignment of Provincial and Local Government strategic planning processes (*the dependent variable*) in the Eastern Cape?”

The researcher will endeavour to investigate how the independent variable influences the dependent variable and how the latter could be manipulated to influence the former.

1.6. Study Objectives

This study seeks to identify the factors that impede the integration of public sector strategic planning, focussing on the interface between Provincial and Local Government planning, and especially on the following specific objectives:

- To critically review the extent to which the existing planning guidelines have assisted Provincial Departments and Municipalities in aligning their strategic plans.
- To explore ideas on how the existing planning guidelines could be improved to facilitate the alignment of Provincial and Local Government planning processes.
- To identify any other related impediments to integrating Provincial and Local Government planning.
- To develop a draft model or guidelines that could assist in integrating the existing planning practices of Provincial Departments and Municipalities in the Eastern Cape.

1.7. Research Design and Methodology

1.7.1. Research Design

Research design is concerned in the main with defining the type of study to be undertaken to produce the intended results.

According to Auriacombe (2005, pp.383-84), a research design can be understood as an outline of how the researcher will test the validity of the research hypothesis or generate answers to the research questions taking into consideration factors that might influence the independent and dependent variables.

Its value lies in its ability to clarify the research process to be followed in order to get valid information from reliable sources to satisfy the purpose of the study.

Informed by the literature review and analysis, the study will make use of an empirical research design. This will involve conducting interviews where information will be collected from primary sources for analysis. In the first instance, the research will make use of questions aimed at establishing the factors that cause the lack of planning integration. In the second instance it will also make use of exploratory questions to generate ideas on how to facilitate improved integrated development planning between the province and Municipalities. The findings of the study will be drawn from both the secondary and the primary sources.

The project will follow a case study design, which according to Mouton (2001, p.149) is useful for conducting in-depth investigation of a particular situation as well as the effects of a particular intervention. It is even more useful in an environment where interventions such as policy-adjustment and changes in practice are innovative.

This is a qualitative study that will afford the targeted respondents an opportunity to share their experiences and ideas in relation to prepared research questions. The study will involve data collection, analysis and interpretation by qualitative means. Heath (1997, p.1) points out that qualitative research endeavours to communicate some human phenomenon usually as expressed by the research informants. He cautions researchers not to fall into the trap of being influenced by their own biases and preconceptions in order to allow respondents the space to air their views and ideas without undue influence.

1.7.2. Research Methodology

1.7.2.1. Study Sample

The Eastern Cape Province was established in 1996 as a provincial sphere of government in terms of Chapter 6 of the South African Constitution (Republic of South Africa, 1996). It consists of a Provincial Legislature and 11 Provincial Departments as well as 45 Municipalities. The latter group is made up of 2 Metropolitan Municipalities, 6 District Municipalities and 37 Local Municipalities.

Schedules 4 and 5 (both parts a, and b) of the South African Constitution outline the legislative and executive functions that are performed exclusively, and those that are shared by the different spheres of government (Republic of South Africa, 1996). It is these constitutional mandates that inform the structure and form of the provincial administration.

A purposive research sample will be used in this study, targeting at least sixteen respondents. Four Provincial Departments out of eleven will be covered, which will constitute 36% of the targeted study population from Provincial Departments. These will include the following;

- The Department of Treasury and Planning. This department is responsible for guiding strategic planning as well as budgeting by the Provincial Departments and Government Agencies in the Eastern Cape. There will be two respondents from this department (one in the strategic planning unit and the other from the Provincial Planning Commission).
- The Office of the Premier. This office is responsible for horizontal coordination of all Government Departments in the Eastern Cape Province. (There will be two respondents, one responsible for strategic planning and the other for IGR).
- The Department of Local Government and Traditional Affairs. This department is responsible for vertical coordination between the province and Municipalities. It is also responsible for supporting Municipalities in developing IDPs. (One respondent is responsible for strategic planning, another for IGR, and a third for IDP Support).
- The Department of Safety and Liaison. Even though it is not directly responsible for supporting Local Government planning or IGR it has to

provide support to Local Municipalities in developing crime prevention strategies. Involving this department will assist in giving a perspective on departments whose success is dependent on the role played by Municipalities. (One respondent is responsible for strategic planning, and another is responsible for supporting the development of local crime prevention strategies).

Seven Municipalities (out of 45) will be covered, which will constitute 15,5% of the targeted Eastern Cape Municipalities, with the following breakdown:

- Category A: One Metropolitan Municipality, 50% (1 out of 2)
- Category B: Four Local Municipalities, 11% (4 out of 37)
- Category C: Two District Municipalities, 33.3% (2 out of 6)

One person responsible for the IDP at each of these Municipalities will be interviewed. The choice of specific Municipalities in each of these categories will be based on the availability of respondents.

The author believes that this will not compromise the objectives of the study, as the challenges experienced by each of the Municipalities in these categories are identical. Overall, this will constitute about a 20% sample of the targeted research population.

1.7.2.2. Data Collection and Analysis

A number of data collection tools will be used. These tools will include the desktop analysis of literature pertaining to the understanding of the concept and the theory of strategic planning and how it finds expression in the context of the public sector.

This will be followed by an analysis of the policy and legislative framework with specific reference to Chapter 3 of the SA Constitution, which provides for Cooperative Government, the IGR Framework Act, and Section 35(1) of the Municipal Systems Act, which provides for Integrated Development Planning. Reference will also be made to the regulations governing the conduct of strategic planning in the SA public sector, specifically the guidelines on the development of the Municipal IDPs and the guidelines on Strategic Planning for

National and Provincial Government . A brief review of the Green Paper on the National Planning Commission will also be conducted to the extent to which it seeks to facilitate the alignment of government planning.

The respondents who will be involved in basic interviews will share their experiences of how they have applied legislation and the guidelines at a practical level, as well as the extent to which these guidelines support or limit alignment across government. The primary sources for this study are mainly sixteen respondents drawn from a sample of officials from four Provincial Departments and seven Local Municipalities in the Eastern Cape Province as listed under the study sample in section 1.7.2.1. above.

The basic interviews sought to establish the extent to which strategic planning is practised in the Eastern Cape public sector, how it has been institutionalised, and the value attached to its practice, as well as the competencies that are essential for mastering strategic planning practice in the context of the Eastern Cape province. The interviews tried to establish the degree to which the public sector finds the strategic planning guidelines useful, user-friendly and “fit for purpose,” as well as the key challenges they confront in applying the guidelines in practice. The interviews also sought to generate ideas on how to improve the existing guidelines in order to facilitate alignment of strategic planning efforts between the Provincial and Local Government spheres, as well as ideas for managing other factors that hinder strategic planning alignment. The interview guides are attached to this document, as annexure 1.

The intention was that the data and information gathered from these sources would throw light on the strengths and limitations of the policy and regulatory framework designed to facilitate strategic planning alignment across government institutions. Moreover, it was also hoped that they would share their wisdom on what could be improved to facilitate both vertical and horizontal alignment across government structures.

The data analysis would consider data from both primary and secondary sources, and focus on the limitations of the existing planning guidelines in facilitating the alignment of strategic planning between the Provincial Departments and Municipalities. The discussion in chapter 5 of the findings follows the format of the guiding questions in annexure 1. The collated data

served as a source from which a proposal on how the existing limitations in planning alignment could be dealt with.

It was also hoped that the study would reveal other factors contributing to the lack of integration in strategic planning between these two spheres, and the findings were to include practical suggestions on how integrated strategic planning between a Provincial Government and Municipalities could be realised.

1.8. Outline of Chapters

This thesis is made up of the following chapters.

Chapter 1 – Introduction:

This chapter introduces the entire thesis by reflecting on the background to the study, the rationale for the study, the problem statement, the research question, the research objectives, and the research design and methodology to be used.

Chapter 2 – Literature Review: Strategic Planning in the Public Sector.

Chapter 2 is dedicated to a literature review on strategic planning in the public sector. The purpose provides some insight into the understanding of strategic planning as a management tool, as well as its evolution in the public sector.

Chapter 3 – Strategic Planning in the Public Sector: Policy, Legislation and Institutionalisation.

This chapter provides an overview of the policy and legislative framework governing strategic planning in the public sector. It consists of a review of the institutional mechanisms employed in the public sector to manage strategic planning. This is done primarily by using desktop analysis.

Chapter 4 – Case-Based Evaluative Analysis: Strategic Planning in the South African Public Sector.

Chapter 4 describes the case study, and locates the function of strategic planning in the four selected Provincial Departments and the seven selected Municipalities in the Eastern Cape. It contains an analysis and evaluation of the case study against the theoretical perspectives discussed in chapter 2, and the framework of the policy, legislation and institutionalisation discussed in chapter 3.

Chapter 5: Findings, Conclusions and Recommendations

This chapter provides a summary of the main findings, make some recommendations in respect of the findings, and conclude the research study.

1.9. Summary

Following the introductory comments, the reasons for choosing to perform this particular research study were described. A preliminary literature review was also conducted to establish the basis for the theoretical exposition that will inform the study. The problem statement, which is the basis for the research question, was also introduced. The discussion on the research design and methodology described the type of study this is and the tools that will be used to collect data from both primary and secondary sources. The chapter concluded with an outline of the structure of the thesis, depicting the structure of the research end-product to be derived from the study.

In the next chapter, literature will be reviewed to explore some theoretical perspectives on strategic planning as well as its evolution in the public sector. This will constitute the theoretical basis in examining its practice in the public service and examining the extent to which the ideal of integrated strategic planning in the public sector could be realised.

CHAPTER 2 LITERATURE REVIEW: STRATEGIC PLANNING IN THE PUBLIC SECTOR

2.1. Introduction

The concept of strategic planning will be explored in this chapter, as well as its practice in the public sector. Selected definitions of strategic planning, theoretical concepts of strategic planning, and various models of strategic planning will also be covered. It will also examine the process of strategic planning with respect to its practice in the public sector. The context as well as the challenges that confront the practice of strategic planning in the public sector will be discussed.

It is essential that the definitions and the theoretical conception of strategic planning are shared in order to facilitate comprehension of the phenomenon of strategic planning. Understanding the different models and processes is fundamental if the application of strategic planning as a management tool is to be fairly understood. The discussion on the context and identification of challenges will assist in mapping the organisational setting for the application of the relevant theoretical perspectives in the practice of strategic planning.

2.2. Understanding Strategic Planning

Strategic planning is defined here generally as a systematic process that is undertaken in response to discomfort with an existing undesired state. It assumes a futuristic view and is motivated by a desire to create an ideal alternative. It takes into account the factors that enable and limit the realisation of the ideal desired state.

Johnson *et al* (2009, p.3) define strategic planning as the approach that an organisation takes with a long-term view, through which it attains a benefit in a dynamic environment by arranging its resources and capabilities in order to satisfy stakeholder expectations.

Strategic planning hones an organisation through expressing goals towards which organisational efforts should be directed and it gives rise to action-orientated strategic statements of what the organisation commits to do in order to achieve such goals. The purpose of strategic planning is to find a strategic fit between the organisation and its environment with consideration of its long-term viability.

According to Ungerer *et al* (2007, p.14), strategic planning is a conscious and collaborative process in which people engage in an effort to secure organisational survival.

The practice of strategic planning is based on the idea that leaders in organisations must be effective as strategists if they are to promote their organisation's growth and sustainability.

Effective managers make use of a strategy to focus their efforts, to guide their decision making and actions, and to give their organisation a sense of purpose through strategic planning and management, according to Poister *et al* (2010, p.524).

Understanding the importance of strategy is fundamental for the purpose of positioning any type of organisation in order to confront the complex and uncertain future, according to Poister *et al* (2010, p.524).

Even though there has been much talk about strategic planning, predominantly in the private financial sector, since the early 1970s, it is interesting to note that the notion of strategy has its origin in military science. It comes from a Greek word *strategos* which means the "Art of the General," according to Snow and Hambrick (1980), as cited by Llewellyn and Tappin (2003, p.960).

According to Ungerer *et al* (2007, p.4) military strategy became the source for the development of corporate strategy in the private sector and later devolved into the public sector. Ungerer *et al* (2007, p.2) point out that for military commanders to win wars they needed to gather intelligence, explore options, decide on the best action and devise implementation plans leading to their success. This has been the general *schema* in the conduct of strategic planning as a managerial leadership tool in both the private (profit and non-profit) and the public sectors.

Notwithstanding the fact that the notion of strategy originated in the military sector, the practice of strategic planning as a management technique flourished in the private sector and is relatively new to the public sector. It assumes an approach that seeks to facilitate strategic thinking in order to produce strategic plans. This point is made by Kaufman and Jacobs (1993, p.47) when they point out that decision making based on strategic thinking about the long-term direction of an organisation

originated in the business schools and later spread into the public administration discourse.

Goldman and Casey (2010, p.120) define strategic planning as “systematic-orientated, directional and opportunist thinking that leads to the discovery of novel, imaginative organisational strategies.”

The exercise of strategic planning is not only about gaining competitive advantage, as would be the case in the private sector (to increase market share) or in the military arena (to defeat the enemy). In the public sector it is about finding the purpose, direction, and the goals that an organisation seeks to achieve.

According to Poister *et al* (2010, p.524), a mutual sense of strategy is of essential significance for public managers as well, because it is vital for positioning an organisation to confront a complex and uncertain future.

2.3. Strategic Planning: Conceptual Analysis

Strategy as a concept is associated with a pattern of decision making by Hambrink (1983b) as cited by Paul and Moutinho (2000, p.369). This entails the alignment of internal and external factors that affect the performance of an organisation.

Empirical research over three decades has proven that strategic planning is a prerequisite for successful organisations, according to Paul and Moutinho (2000, p.370). Furthermore, they cite Greenley (1993, p.3), who points out that strategic planning leads to improved performance in organisations, considering the external and internal organisational environmental variables that could possibly impinge on their performance.

On the other hand, Mintzberg (1990) as cited by Ugboro *et al* (2010, p.5) expresses the opinion that strategic planning limits creativity and the innovation necessary to react to the dynamic organisational environment.

The decision to embrace strategic planning is often inspired by the need and desire to set policy and programme direction as well as by the emulation of the best management practices, the facilitation of responsiveness, and the optimal use of resources, according to Berry and Wechsler (1995), as cited by Ugboro *et al* (2010, p.5).

Koteen (1989, pp.25) points out that the practice of strategic planning should seek to provide clarity on the strategic direction that an organisation can take through finding ways in which it can cope with the dynamic organisational environment in which it operates, as well as empowering it to utilise its resources wisely in areas of need. Furthermore, the practice of strategic planning should also assist organisations in setting standards of excellence as well as in providing a relatively objective basis for monitoring, control and evaluation (Koteen, 1989, p.26). It is these factors that have defined the organisational environment of the public sector organisations.

Bryson (1988, p.78) adds to the list of benefits by including the fact that the practice of strategic planning compels people to think more strategically in taking decisions about future actions, whilst dealing with both today's and future organisational challenges. He also states that strategic planning inculcates a problem-solving orientation, facilitates control and builds teamwork, whilst improving organisational performance.

Strategic planning is engaged in for the purposes of informing decision making to improve organisational efficiency and effectiveness, taking into consideration the organisation's capability and viability (Bryson, 2010, p.257).

Nutt and Backoff (1992), as cited by Poister *et al* (2010, p.524) claim that effective managers make use of strategy to focus their efforts on the most important priorities and provide a consistent decision-making framework to renew the organisation's sense of purpose.

Robinson (2002, p.1) suggests that two approaches to strategic planning can be used, namely projection or creation strategy development. Projection builds on information about organisational strengths and weaknesses, projecting what can be achieved with the available resources over a given time. Proponents of the creation strategic approach view the projection approach as cautious and as a management practice leading to control that limits the probability of placing an organisation at risk, which could be to its detriment.

Strategy by design, on the other hand, is vision led, and is a strategy development approach that is driven by a desire to realise the vision. This requires a measure of determination. Supporters of the projection strategic approach in strategy

development view this approach as a catalyst that enables people to “think outside the box” and facilitate organisational growth and success.

The choice between these two approaches is influenced largely by the particular organisation’s needs and context, which determines the most appropriate approach for that specific organisation. A hybrid of these two approaches is also possible, through which the positive elements of both the projection and the creation strategy development approaches could be exploited.

Understanding these approaches and how to manipulate them is fundamental in designing a strategic planning model. This will be the subject of our discussion in the next section.

2.4. Strategic Planning: Conceptual Models

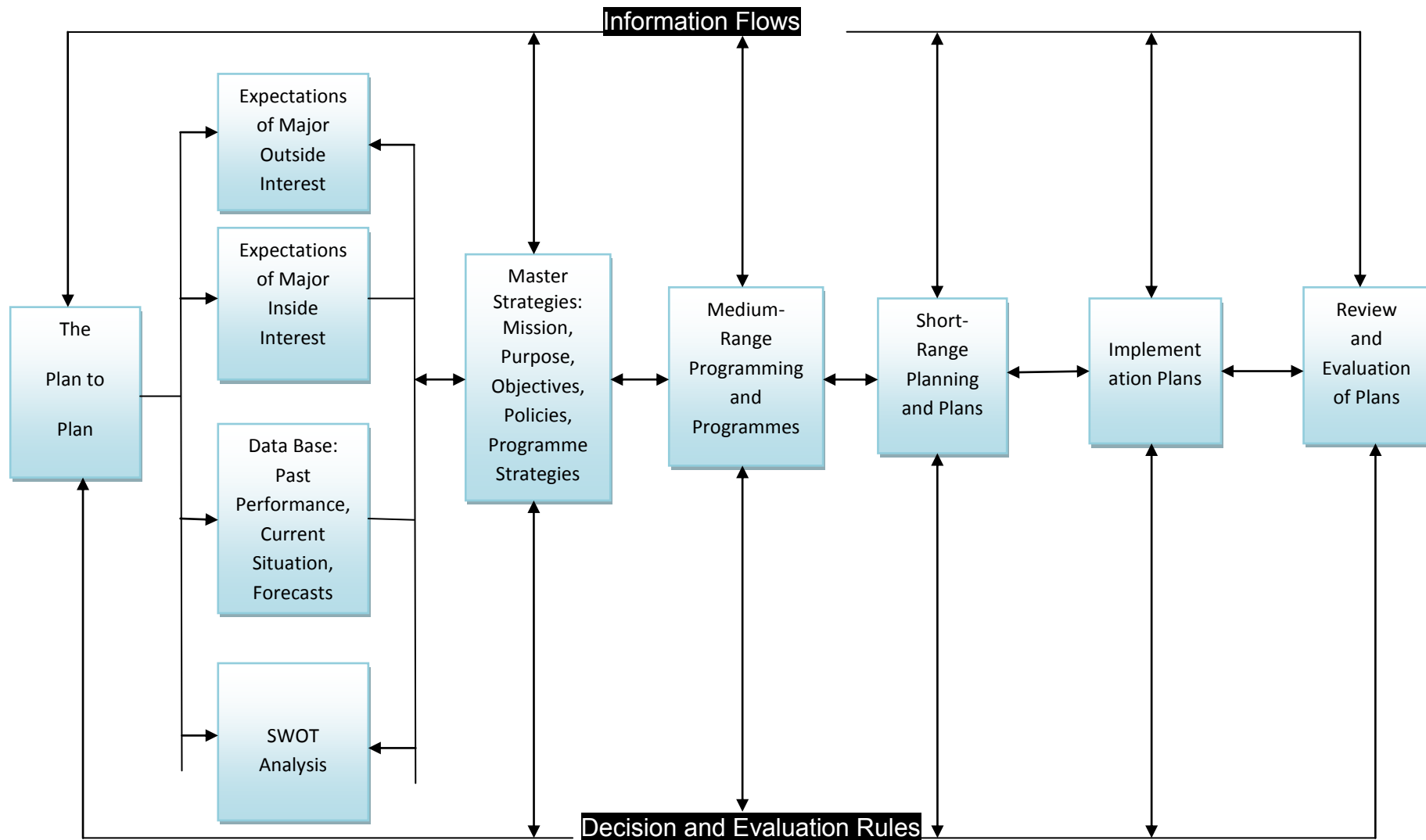
A consideration of the various approaches to strategy development helps in creating a framework to direct the effort of strategic planning and spell out the orientation of the strategic planning model.

A model may be defined as a sort of diagram that captures the relationships between the various elements of a single system leading to an expected end ([http://dictionary.reference.com/browse/conceptual model](http://dictionary.reference.com/browse/conceptual%20model)).

Models are symbolic illustrations that capture the meaning of an organised idea and are intended to facilitate easy comprehension of the concept (Iopoulos, 2001, p.3).

According to Nieboer (2011, p.5) Steiner, who was regarded as one of the early developers of strategic planning models, designed an interesting strategic planning model as early as in 1979, which is captured below in figure 1:

Figure 1: Strategic Planning: An Early Model



Steiner's strategic planning process model as cited by Nieboer (2011, p.6).

One of the important features of Steiner's model is its acknowledgement of a need to develop a plan of a plan, through which a plan for rolling out the strategic plan is crafted. This step involves mapping the process and the identification of the issues to be dealt with, as well as the expected results of the intended process.

The next step is to gather all of the relevant data and information to ascertain the expectations of both the external and the internal interests. This step seeks to establish the organisation's previous and current performance, as well as to forecast how it might perform in the future. An analysis of the internal and external enabling and limiting organisational environment is conducted through the use of the SWOT analysis technique. This stage normally produces situational analysis priorities, which a strategic plan must respond to.

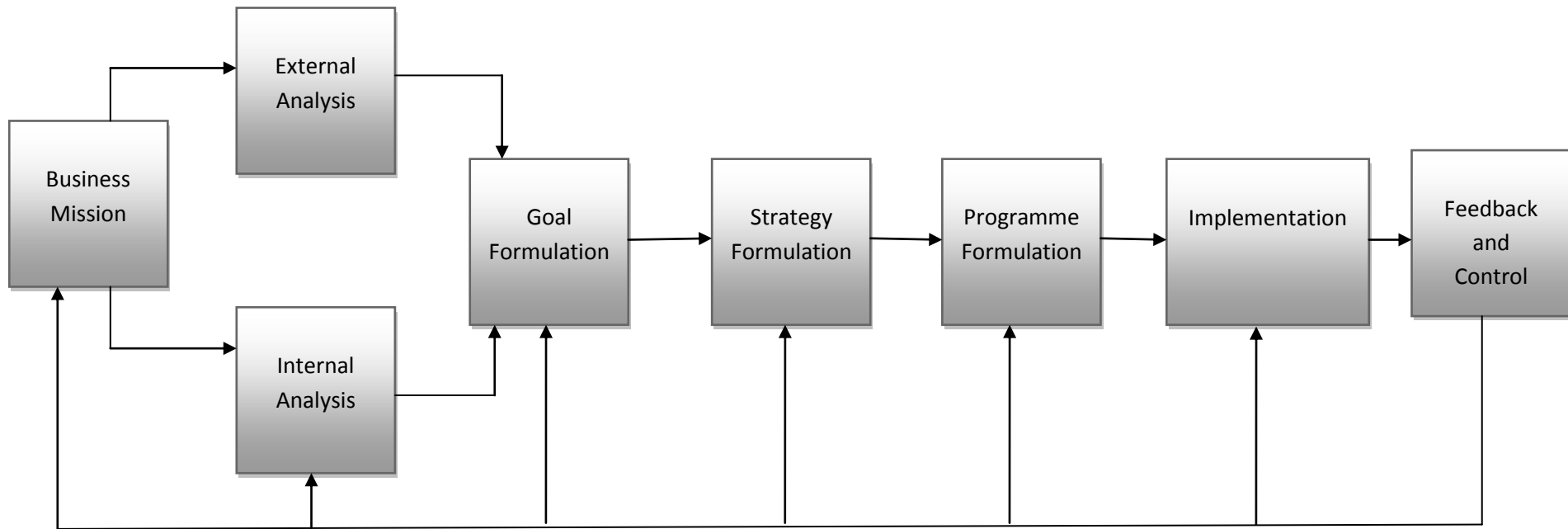
Following the analysis of the status quo, the next step in the model is the development of what is referred to as the "Master-Strategy." This is the most important part of the model in that it defines the means and ends, as well as how the former will result in the latter. It covers the organisational mission, its purpose, objectives and policies. It is these aspects of the strategy design that provide the organisation with an identity and define its strategic intent.

Subsequent steps in the model include medium- and short-range planning outlines, which entail the development of programmes and plans with clear, specific objectives and process maps, leading into operating plans with specific budgets.

It is the latter (detailed plans) that constitute the basis for review and evaluation. Even with this type of detail, Steiner's strategic planning model is still useful for organisations and institutions in the private, the public and the non-profit sectors.

Another interesting model known as the "Kotler's strategic planning process model" is cited by Nieboer (2011, p.7). This model is reflected below:

Figure 2: Kotler's Strategic Planning Process Model



Kotler's model for strategic planning processes uses mission crafting as the point of departure. The mission seeks to define what the organisation intends to do and for whom. It spells out the reasons for the organisation's existence and the purpose it seeks to serve. This first step provides clarity and direction for the strategic planning effort, and acts as a point of reference in the strategy development exercise.

This is followed with an analysis of the internal and external organisational factors that could positively or negatively influence the organisation's ability to realise its mission. It is through this analysis that strategic priorities are identified, as the organisation positions itself to make use of the enabling factors and neutralise the limiting factors.

Goal-setting involves the isolation of key issues and the setting of targets towards which specific actions should be directed. It describes the results that must be attained as pay-offs for the organisational efforts.

Strategies are then developed to achieve the set goals in line with the organisational mission, and as a response to the critical issues facing the organisation from both the internal and the external environment. The strategy development stage is at the core of the strategic planning process.

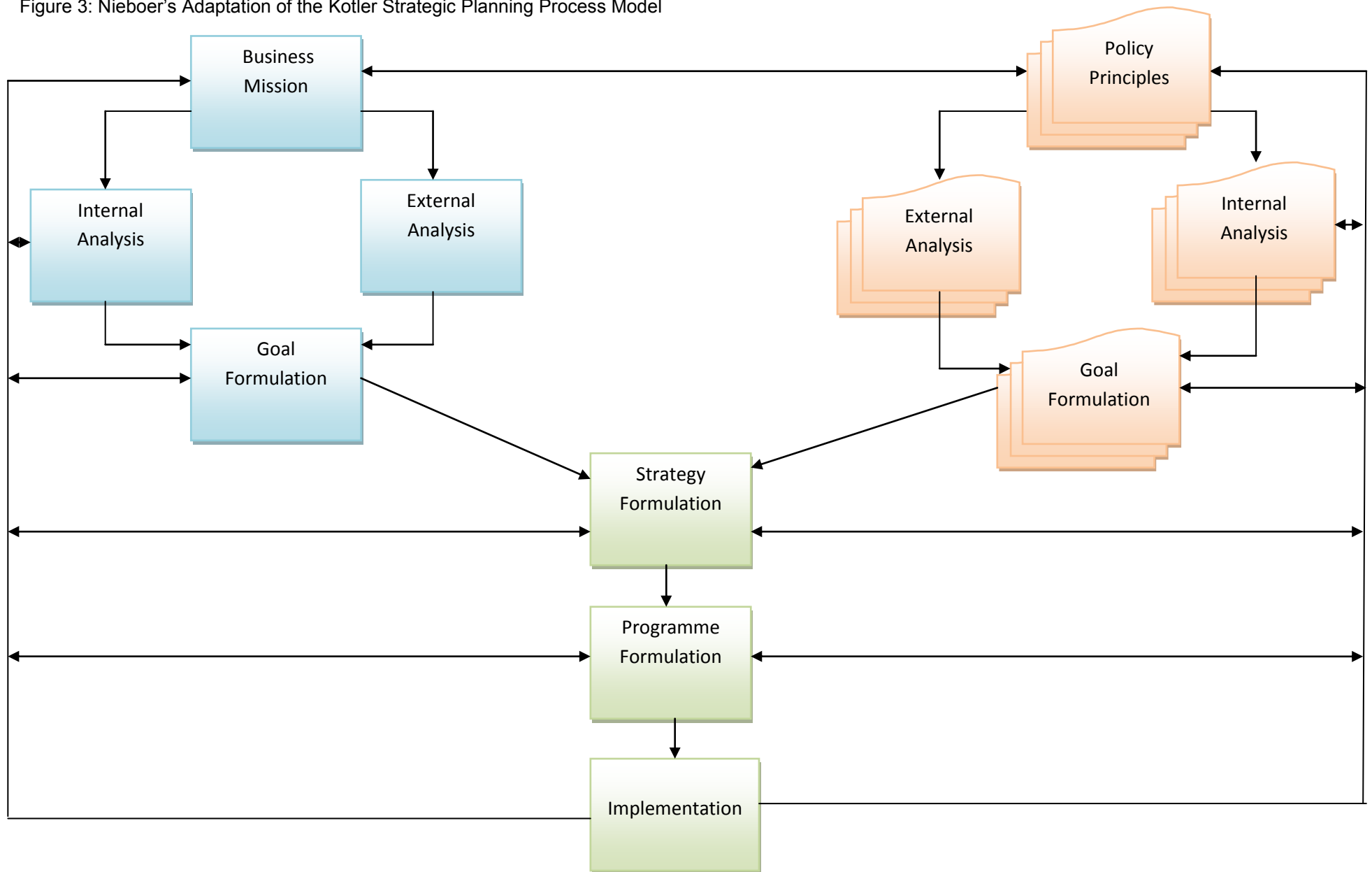
These strategies are then translated into programmes with clear deliverables and identifiable stakeholders. Stakeholders would include those who have a role to play in the programme implementation and those who stand to benefit from the proceeds of the programme.

The following stage is the crafting of the implementation framework, detailing the specific steps to be taken, the specific objectives, the method to be used for each action, and the time-frame for each of these actions.

The implementation plan would be used for purposes of control and would also constitute the basis for providing feedback.

Notwithstanding the advantages of this model in simplifying the process of strategic planning, it also embodies some limitations. Nieboer (2011, p.23) adjusted Kotler's Model in order to incorporate policy actors in the strategy formulation process. This adjusted model is illustrated below.

Figure 3: Nieboer's Adaptation of the Kotler Strategic Planning Process Model



In considering the adjustments of Kotler's strategic planning model, Nieboer (2011, p.22) took the view that strategy development is dependent not only on goal-setting flowing from the organisation's mission, but also on policy imperatives that inform the organisational goals. He argued that there is mutual influence between the organisation's mission and the policy principles guiding the internal and external actors in setting the goals, and that this relationship informs strategy formulation, and programme development and implementation (Nieboer, 2011, p.23).

McManara (2000), as cited by Kriemadis and Theakou (2007, pp.29-32), discussed a number of strategic planning models. These include:

The "Basic Strategic Planning Model." This is used primarily in smaller organisations or in their first year of operation, and is predominantly driven by top management. The components of this model are the organisation's mission and purpose, the goals to realise the mission, the strategy to reach the goals and the action plans to implement strategies, as well as the design of a method of monitoring that also allows for reviews and updates of the plan.

The "Issue-Based (or Goal-Based) Planning Model." The components of this model are an analysis of the external and internal organisational environments, the isolation of key priority issues and the setting of goals, and the development of the main strategies and programmes to address the issues arising from the set goals. It also involves the design or update of the organisation's vision, mission and values statements, the development of action plans and yearly operating plans, the development of budgets, monitoring and evaluation, and the review and updating of plans.

The "Alignment Model." This model is useful in fine-tuning strategies. The process includes the establishment of a planning team that reviews the organisational mission, programmes, resources and support needs, looking at what is working and not working, identifies the necessary adjustments and incorporates the adjustments in the strategic plan.

The "Scenario-Planning Model." This model involves the selection of external forces to determine how they can influence organisational growth, and for each of those forces, establishes at least three possible scenarios (Best-Case, Worst-Case, OK-Case) that might arise as a result of those external influences. This leads on to the

development of possible strategies for each of those scenarios and the selection of strategies to be used in order to respond to the external environment.

"Organic (or Self-Organising) Planning." This model requires constant reference to the organisation's values and reflection on the organisation's systems. It involves clarification of the organisation's values, articulation of the organisation's vision, and ongoing dialogue on how best the organisation can achieve its vision. It focusses on learning and engaging the stakeholders in the strategic planning process.

These models are not a dogma but a guide to the process of managing strategic planning processes. It is also possible for strategic planning practitioners to create a hybrid of the elements of these models to meet specific organisational needs.

Citing Poiser and Streib (2005), Kriemadis and Theakou (2007, p.35) point out that it should be the model that adapts to organisational realities, and not the other way around. This point was also made by Ring and Perry (1985) when they observed that the value of strategic planning can be felt only when it is tailored to the specific circumstances in which the organisation finds itself.

Wilkinson and Monkhouse (1994, p.16) suggest that to be effective in the public sector any strategic planning model should acknowledge the key differences between the public and private sectors, as the reality in which the organisation finds itself dictates how it adapts the models to suit its use in its organisational context.

One of the most important features of these models is that they simplify organisational processes that are understood to be complex as well as important. The next section will discuss the form these strategic planning processes assume.

2.5. The Process of Strategic Planning

Strategic planning models help in formalising strategic planning processes by creating an environment where fundamental decisions can be taken about the future direction of the organisation.

O'Regan and Ghobadian (2002, p.419) state that the formalised process of strategic planning can be understood as a deliberate means of organising issues and systematic methods towards achieving specified tasks.

Paul and Moutinho (2000, p.371) recommend a number of design parameters for the strategic planning process, including the formalisation of the process in order to get commitment from key role players through a systematic process.

Commitment will also be achieved through the facilitation of participation and communication amongst various players who will share a wealth of ideas from diverse viewpoints. A shared vision will be secured through this interaction (Paul and Moutinho, 2000, p.371).

In the work of Paul and Moutinho (2000, p.371) they go on to claim that sophistication of the process will be achieved through the use of multi-dimensional managerial techniques, including the use of experiences at different management levels.

Typically, a strategic planning process will involve the crafting of strategic statements that capture the strategic intent, encompassing vision and mission statements, and agreed goals and objectives, according to Johnson *et al* (2009, p.583).

The vision statement posits the ideal future as an end point, whereas the mission captures the essence of an organisation through outlining what the organisation intends to do to reach the end point. The goals specify the deliverables towards which the organisation's efforts are directed, and the objectives are the specific outcomes that the organisation seeks to satisfy.

Johnson *et al* (2009, p.583) also identify environmental analysis as a key component of the strategic planning process.

In conducting organisational analysis, Johnson *et al* (2009, p.55) recommend the use of the PESTEL framework, which considers the six dimensions of the macro-organisational environment that have an influence on the organisation, namely political, economic, social, technological, environmental and legislative factors:

The political factors have to do with the role of the government as a political institution in regulating the state and society, which has an immense influence on how organisations do their businesses.

The economic factors have to do with the macro-economic environment and affect interest rates, taxation, inflation, exchange rates, and economic growth generally. These factors influence organisational behaviour when it comes to money matters.

The social factors are the social trends that impact on the demand and supply of products or services. These may include demographics, shifting choices and cultures with a huge influence on supplier or customer behaviours.

The technological factors have to do with the extent to which innovative creations impact on the behaviour of the organisation. These may include information and production technological assets.

The environmental factors are concerned with the preservation of the green space, and include issues such as climate change, waste management and weather patterns, to mention but a few.

The legislative factors include the legal and policy context in which the organisation operates. These factors influence the organisation in the manner in which it engages with the market and how it relates to its suppliers, customers and competitors, as well as to other players.

Johnson *et al* (2009, p.57) also recommend scenario mapping, which involves making factual, detailed and sound predictions about possible future organisational developments. They advise managers to focus on likely scenarios and to ignore overly optimistic and pessimistic scenarios.

The third approach they recommend is the five-forces framework (Johnson *et al*, 2009, p.59), which has more relevance to the private sector. The five forces are centred on competitive rivalry and identify suppliers and buyers with their bargaining powers, as well as the threats from new entrants and substitutes in the market.

According to Johnson *et al* (2009, p.95), organisational analysis considers tangible and intangible organisational resources and competences at the threshold and at a level where they can achieve competitive advantage.

Johnson *et al.* (2009, pp.116-17) recommend benchmarking by considering organisational performance over the years (the historical view), how the organisation has performed against similar service providers (the industry-sector comparison), and how it compares with those who are regarded as the “best-in-class.”

Organisations can also make use of the SWOT analysis (Johnson *et al.*, 2009, p.119), considering internal strengths and weaknesses, as well as external opportunities and threats so that they can take advantage of their strengths and opportunities whilst addressing their weaknesses and threats.

Finding a strategy that differentiates its services/products from those offered in the market, and improving accessibility, affordability, and adequacy are some of the factors that an organisation should excel in, in order to achieve competitive advantage according to Johnson *et al.* (2009, p.222). They further suggest that organisations should consider both organisational development in enhancing their capacity (Johnson *et al.*, 2009, p.357) and entering into strategic alliances through which they can share resources to pursue their strategic choices (Johnson *et al.*, 2009, p.360).

Johnson *et al.* (2009, p.475) make the point that resourcing strategies is an important element that is concerned with the management of the interactions between the organisation’s overall business strategy and its individual monetary and non-monetary resources. The optimal use of resources is at the centre of good governance practice. Strategic planning in the governance mode is concerned with establishing principles that facilitate cooperation amongst stakeholders so that they engage in joint efforts and have common purposes (Johanson, 2009, p.883).

2.6. Strategic Planning in the Public Sector

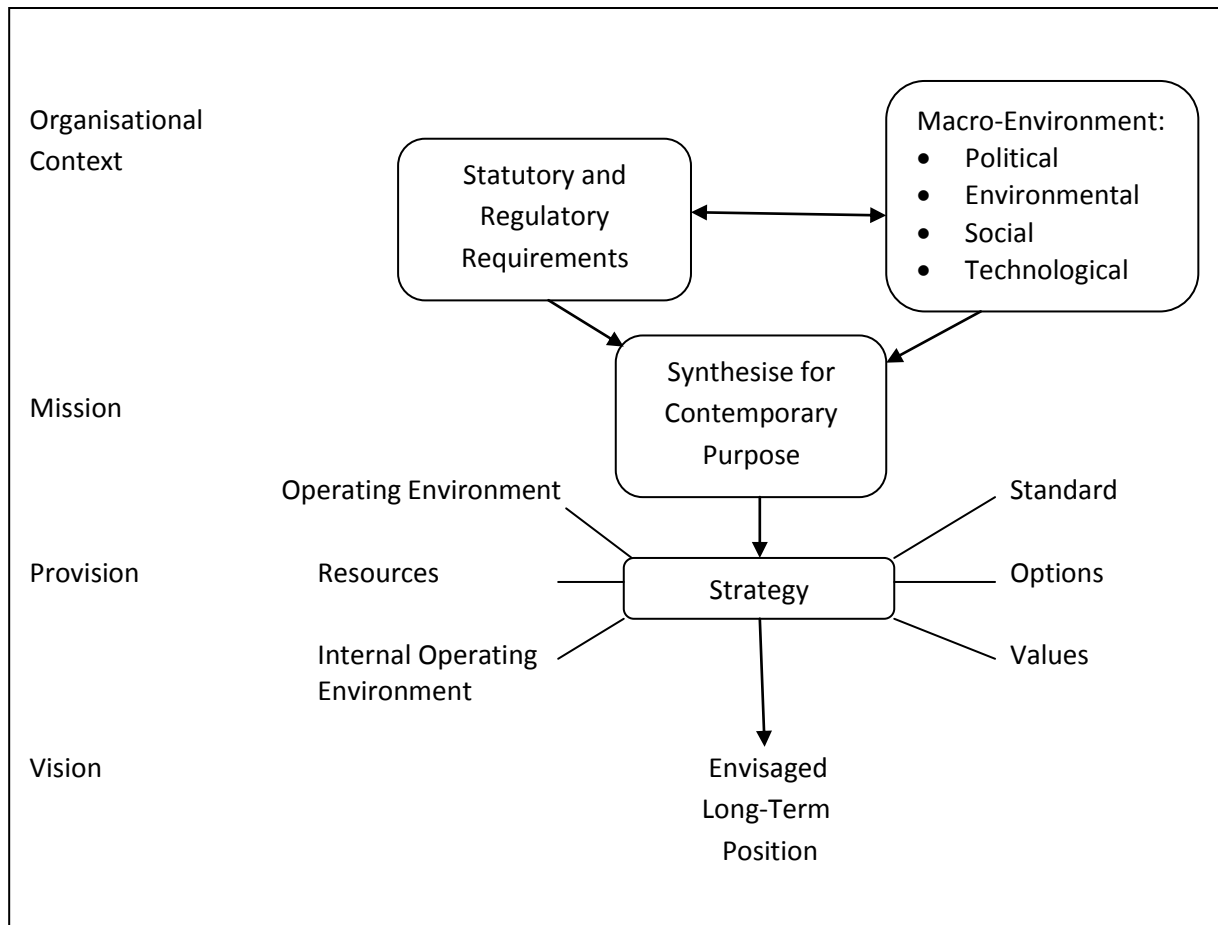
According to the World Bank researchers (1994), as cited by Seemela and Mkhonto (2007, p.201), adherence to the notion of good governance requires the public sector to respect public values such as accountability in managing public resources, transparency, the democratic participation of citizens, and the rule of law in its conduct.

The notion of “public value” suggests that there is a need for a continuous improvement of the manner in which public services are delivered, according to Constable *et al* (2008, p. 9), as cited by Williams and Shearer (2011, p.5). Strategic planning in the governance mode seeks to create that public value. Therefore, it is vital that strategic planning in the public sector should embody good governance principles.

The exercise of strategic development in the public sector is often predetermined to a great extent by the legislative and policy imperatives that give rise to the very existence of the public sector organisation, according to Wilkinson and Monkhouse (1994, p.17). The public sector should be sensitive to the fact that it exists as a result of public requirement. Therefore the manner in which it engages with the strategic planning process should be attuned to the regulatory framework, organisational context, public sector value system, and public sector resource management practices.

Wilkinson and Monkhouse (1994, p.17) suggest that the process that would be generally followed in the public sector is that which is captured in figure 4 below:

Figure 4: Strategic Planning: A Public Sector Perspective



In this approach, Wilkinson and Monkhouse (1994, p.17) aver that the context in which a public sector organisation operates determines the public requirement that informs its mission, and this defines its scope of strategic choices.

They suggest (1994, p.17) that the organisational mission statement should embody at least five elements, namely:

1. Purpose – which justifies the existence of the organisation.
2. Vision – which defines the ideal state of the future in which the organisation wants to see itself.
3. Strategy – outlining the rationale for the operation of the organisation.
4. Value – which captures the belief system of the organisation that underpins its conduct.
5. Standards – which are the benchmarks that inform the behaviour and operational policies of the organisation.

After considering the organisational macro-environment, Wilkinson and Monkhouse (1994, p.18) come to the conclusion that consideration should also be given to the organisation's micro-environment for the purposes of determining its current provisions.

The external operating environment seeks to identify the boundary limits from the necessary provisions, and the internal operating environment is concerned with how functions are prioritised, the resources allocated, the systems monitored, and how good acts are rewarded in the organisation (Wilkinson and Monkhouse, 1994, p.18).

Making choices is also key in the process, and this involves effectiveness in cost management and the enhancement of service provision in the public sector, according to Wilkinson and Monkhouse (1994, p.19).

Achieving targets plays a significant role in motivating individuals in the organisation to continue improving their performance (Wilkinson and Monkhouse, 1994, p.19).

As indicated earlier, in section 2.2, strategic planning is about setting the direction and the scope of the organisation's activities over a long term, achieving advantage in a dynamic and ever-changing environment through configuring the use of resources, and enhancing competences in order to satisfy stakeholder expectations (Johnson *et al*, 2009, p.253).

Llewellyn and Tappin (2003, p.960) state that private sector organisations have used strategic planning to stay ahead of their competitors. This orientation distinguishes strategic planning in the private sector from public sector strategic planning, as the latter lacks the market-driven competitive nature.

Moore (2000, p.183) states that one of the most important features of organisations in the non-profit sector, including government, is that their goal is a social purpose, as opposed to generating profit. Their purpose for engaging in strategic planning is therefore the achievement of efficiencies in addressing the social cause rather than achieving financial advantage.

According to Llewellyn and Tappin (2003, p.956) the organisational culture in the public sector has not been receptive to strategic thinking. They identify three factors that have made strategic planning a low priority in the public sector agenda, namely:

1. The fact that the public sector has a monopoly over the provision of services.
2. The fact that there are habitual ways of providing services, which have become inflexible.
3. Inconsistencies in the public's demand for services.

The public sector has had to contend with inconsistent needs, demands and aims in an environment where they work within limited budgets (Llewellyn and Tappin, 2003, p.961). Hence, the evolution of strategic planning in the public sector has been slow.

The exercise of strategic planning as a management tool has gained prominence in the public sector since its evolution (Davenport and Leitch, 2005, p.1605). It is regarded as a valuable and influential tool that enables government to realise positive results (McInerney and Barrows, 2000, p.1).

Even though it is regarded as a management tool, there is general disagreement in the literature as to whether it should be a top-down or bottom-up process, according to Poister *et al* (2010, p.535). Whilst acknowledging that strategic planning is a management tool in the hands of the executives who steer organisational growth, Kissler *et al* (1998), as cited by Poister *et al* (2010, p.535), advocate for a bottom-up approach, which promotes inclusivity in the process.

The process is expected to be inclusive and leadership driven, but it is also subject to legal and regulatory constraints (Wilkinson and Monkhouse, 1994, p.16), a fact which limits creativity in public sector strategic planning.

Proponents of strategic planning in the public sector believe that the exercise of strategic planning re-orientates the public sector towards strategic thinking, and that this provides clarity on the direction the sector intends to take as well as on the scope of the services it provides. Beyond strategic thinking, strategic planning in the public sector also promotes the taking of strategic actions and organisational learning, through the blending of strategic thinking, the use of the value proposition model and the outline of the strategic intent, to ensure the enhancement of the capability of a public sector organisation to deliver public value (Poister, 2010, p.247).

Furthermore, strategic planning improves the manner in which a public sector organisation deals with the dynamic internal and external organisational environment, improves its performance, and clarifies its purpose, whilst building unity of purpose (Liou, 2000, p.18).

According to Stewart (2004, p.16), “Strategy is essentially self-identification.” He goes on to say that strategising is a way in which an organisation can harness its potential to apply policy directives. Strategic plans also communicate organisational priorities to stakeholders (Stewart, 2004, p.17).

According to Ramanujam and Venkatraman (1987), as cited by Isaiah *et al* (2010, p.645), the success of the strategic planning effort and its successful implementation are dependent on the design and the strategic management² process, as well as a strong commitment of the top-level leadership, since the latter indicates the extent to which this process is valued within an organisation.

2.7. Context and Challenges

The context in which the organisation exercises the practice of strategic planning is essential to its success. This environment, according to Ugboro *et al* (2010, p.6), includes the organisation’s complexity, the availability of adequate resources, managerial support, and the attitudes and commitment of all the key role-players to the strategic planning process.

Consideration of the external and internal organisational context is essential in the exercise of strategic planning. Goldman and Casey (2010, p.120) define it as an exercise that is influenced by the organisational context in which it is applied.

Poister *et al* (2010, pp.525-26) identify some of the determinants for strategic planning and management practice in the public sector, which are discussed below.

The organisational external environment in which the public sector operates is highly political. It includes a number of political players who determine the manner in which the organisation engages with the strategic planning process. Intra- and

² Strategic Management can be understood as a “...management ... system ... that links strategic planning and decision making with the day-to-day business of operational management.” (Gluck, Kaufman, and Walleck, 1982)

inter-political factors are at play in the design and the management of strategic planning efforts in the sector.

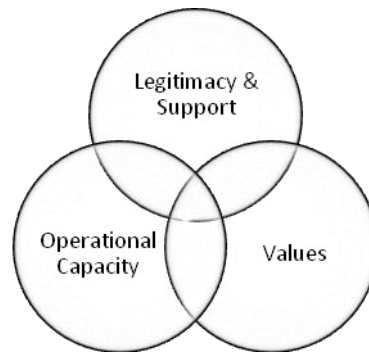
The scope of public sector activities and their conduct is strictly regulated by statutes. This highly regulated institutional environment limits the creativity of public sector organisations in the conduct of strategic planning.

The structures of public sector organisations are greatly influenced by the legally defined mandates of these organisations, and their size determines how they engage with the task of strategic planning and general management. The size of the institution also determines the extent to which it can open the process to secure its inclusivity. It also determines the appropriateness of the process, whether it should be top-down or bottom-up.

The determination of policy and the decision making of a public institution are strongly influenced by the regulatory framework in which it is bound as well as by its value system, its organisational culture, and the style of its leadership. The organisational capability is also an important consideration in determining the commitments that the organisation makes in its strategic plan.

It is useful to cite a strategic model developed by the Kennedy School and used by Moore (2000, p.197) to illustrate the interdependence of some factors that drive strategic planning in the public sector.

Figure 5: Strategy in the Public Sector



Source: (Moore, 2000, p.197)

According to Moore (1995, p.197) the “value” relates to the purpose that the organisation or entity is pursuing, providing the basis for its existence and expressing the hope of how it intends to make a difference, whereas “legitimacy” and “support” relate to the managerial input that provides support for the pursuance of that value (Moore, 1995, p.198). “Operational capacity” is concerned with the existence of the organisational capability to realise the desired results.

2.8. Summary and Conclusions

Whilst this literature review has traced the concept of strategy from the military arena and the practice of strategic planning from the private sector, it has also noted that the public sector bought into the practice of strategic planning as a management technique from the 1980s.

The notion of a democratic developmental state brought with it certain obligations on the state to be inclusive in its endeavours to address the socio-economic development needs of SA society.

The Constitution, 1996 enforces cooperation as well as intergovernmental relations for the purposes of facilitating the sharing of resources and optimum resource use for the maximum benefit of society.

The literature confirms that strategic planning is an effective management tool for calculated resource use in areas of greatest need, and for improving the performance of an organisation in discharging its responsibilities.

The authors and theorists have designed different strategic planning models that have been successful in some situations to varying degrees. The literature has also

made the case that successful models are those that are relevant to the organisations to which they are applied.

Even though various processes of strategic planning differ at the level of detail, all of them are forward looking and are concerned with how to reach the desired future state.

The evolution of strategic planning into the public sector has introduced a new way of management that forces the public sector to think more strategically in mapping its organisational growth path. It has been proved in practice that strategic planning is a useful management tool in any type of organisation and enables organisational learning across the sectors.

It is unfortunate that strategic planning in the public sector is still regarded as a compliance issue rather than a central cultural value, and its practice in the public sector is still subject to a number of limitations. Besides the abundance of these limitations, this study seeks to establish how public sector strategic planning can be aligned in the Eastern Cape context between Provincial Departments and Municipalities. It is hoped that the findings and recommendations of this study will find application elsewhere.

The discussions in this chapter on the theoretical frameworks for public sector strategic planning are useful in understanding the legislation and policy orientation, since the tendency of the latter is to adopt a school of thought embodied in a particular given theory. The institutionalisation of strategic planning, as a management tool, in the public sector is responsive to the dictates of the policy and legislative directives, which constitutes the dominant feature of the organisational culture.

The next chapter will examine the policy and legislative framework governing the practice of strategic planning in the public sector, with particular reference to the Provincial and Local Government spheres. Furthermore, the institutional mechanism for the exercise of this function in both the Provincial and Local Government spheres will also be explored.

CHAPTER 3

STRATEGIC PLANNING IN THE PUBLIC SECTOR: POLICY, LEGISLATION AND INSTITUTIONALISATION

3.1. Introduction

The previous chapter explored the concept and the theory of strategic planning in the broader context of the public sector, and in this chapter the regulatory framework which guides its practice in the South African context will be discussed.

The regulatory framework for public sector strategic planning has responded to the democratisation process that South Africa has undergone since the 1990s. This chapter seeks to review the constitution as well as the relevant policies, legislation and regulations and the extent to which they affect the institutionalisation of the practice of strategic planning in the public sector within the South African context.

Section 2 of the Constitution, 1996 provides for the constitution as the supreme law of the Republic and renders any statute or conduct that is in conflict with it unlawful.

It is against this background that the constitutional provisions will be discussed as a prelude to the discussion of the regulatory framework for public sector strategic planning.

3.2. Policy and Legislative Framework

Introducing the notion of “Developmental Local Government ,” sections 153(a) and (b) of the Constitution, 1996 provide for Local Government to orientate its planning towards giving priority to the basic needs of the community and facilitating local socio-economic development in cooperation with the National and Provincial Government, as well as other public agencies.

The regulatory framework in South Africa has responded to a need to redress the ills of the previous apartheid regime and to eradicate poverty. It seeks to create a sustainable society that is empowered to address its socio-economic development challenges. Hence, in its preamble the Constitution, 1996 makes a commitment for the government to work towards the improvement of the quality of life of all of its citizens. This commitment runs through all spheres of government and organs of the state like a thread joining all the different parts together in a common purpose.

Whereas section 40 of the Constitution, 1996 provides for the establishment of three governmental spheres (national, provincial and local) that are distinct, mutually dependent and interconnected, schedules 4 and 5 part (a) and (b) of the South African Constitution identify planning as a concurrent function performed in all spheres of government.

As is the case with other government business, the planning function in these spheres is distinct, in that municipal planning (as the Local Government function) is different from regional planning (which is a concurrent function of both the national and the provincial spheres) and provincial planning (which is an exclusive function of the province) in terms of the Constitution, 1996.

The Constitution, 1996 sets up government structures as part of the single system of governance and provides for all spheres of government and organs of the state to work cooperatively in the delivery of the public value. Section 100 of the Constitution, 1996 provides for the National Government to intervene where the Provincial Government is failing to meet its constitutional obligation, and section 139 of the Constitution, 1996 puts in place a similar provision for the Provincial Government to intervene where Local Government is failing to perform its constitutional obligations.

Furthermore, the concurrency of powers as provided for in schedule 4 of the Constitution, 1996 stresses the interconnectedness of the functioning of South African government structures and institutions.

Whereas section 41 of the Constitution, 1996 outlines the principles that should underpin “co-operative government and intergovernmental relations”, section 24 (1) of the Municipal Systems Act, 2000 requires that Local Government planning be complementary with the plans of other Government Departments and organs of the state. Section 24 (2) of the Municipal Systems Act, 2000 also provides for Municipalities to participate in the development programmes initiated by other spheres, which affect their local areas of jurisdiction.

In accordance with the provisions of section 152, which deals with matters pertaining to Local Government, section 153 of the Constitution, 1996 demands that Local Government be development orientated, and section 23 (1) of the

Municipal Systems Act, 2000 provides for Local Government to engage in “development orientated planning”.

Furthermore, section 25 of the Municipal Systems Act, 2000 assigns the municipal council, as a legislative body in the Local Government sphere, a responsibility to adopt a comprehensive and all-inclusive strategic plan that is compatible with the development plans of the national and Provincial Government, as well as other organs of the state. Section 35 (1)(a) of the Municipal Systems Act, 2000 establishes integrated development plans as the principal strategic plans of the Municipalities.

In section B of the White Paper on Local Government, 1998 integrated development planning is identified as the viable mechanism for achieving greater coordination and integration at a Local Government level, in line with the principles set out in the Development Facilitation Act for the creation of integrated and liveable settlements.

The Department of Provincial and Local Government (DPLG) assisted by the German Technical Corporation (GTZ), issued guidelines for the development of integrated development plans to assist Municipalities in developing credible IDPs.

At a provincial level, the Inter-Governmental Relations Framework (IGR) Act, whose main purpose is to create a framework for managing relations among all government spheres, provides for the establishment of the Premier’s IGR Forums. These structures are expected to facilitate collaboration on matters of mutual interest through coordinated development planning across Provincial and Local Government levels in terms of section 18(a) of the Inter-Governmental Relations Framework, 2005.

The National Treasury (NT), acting on its constitutional mandate as prescribed by section 216 (1) and (2) of the Constitution, 1996 introduced and enforced uniform rules and standards in order to exercise expenditure controls and ensure transparency by setting out guidelines for the exercise of government planning in both the national and provincial spheres. The NT has issued regulations in terms of the Public Finance Management Act, 2001 to guide the conduct of strategic planning for all Government Departments and institutions, as well as public agencies, including the South African Revenue Services.

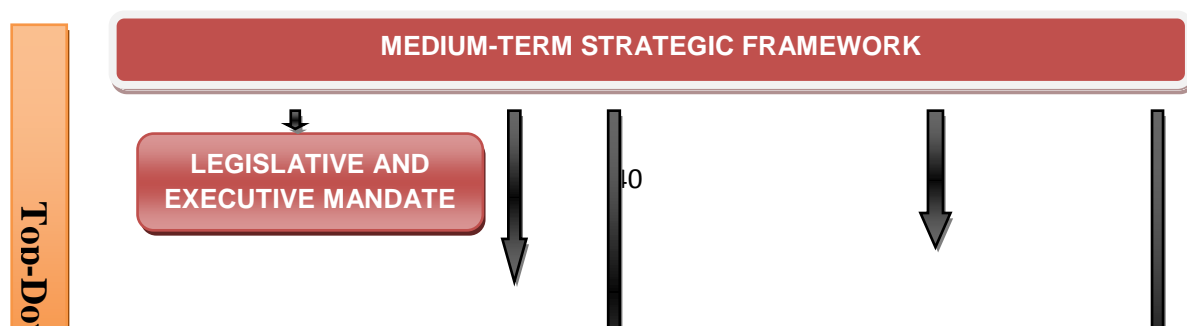
In line with these regulations, the NT issued guidelines for the development of strategic plans and annual performance plans for the purpose of linking strategic plans and budgets, to guide implementation, and to serve as the basis for monitoring and evaluation.

In recognising the lack of coherent long-term planning, the Presidency in the South African government initiated the establishment of the National Planning Commission to champion the development of a national long-term strategic plan. It will be expected of each department and all other organs of the state that they will derive their own operational plans from the central plan. The Eastern Cape Province hopes to replicate a similar process in the provincial sphere.

The policy and legislative framework in the South African public sector has given rise to the strategic planning model presented in the next page as prescribed by the National Treasury for the preparation of strategic planning and annual performance plans by the National and Provincial Government and public sector agencies.

3.3. The South African Models for Public Sector Strategic Planning

The National Treasury guidelines capture the inter-linkage between the planning frameworks through a pictorial snapshot, as illustrated below in figure 6.



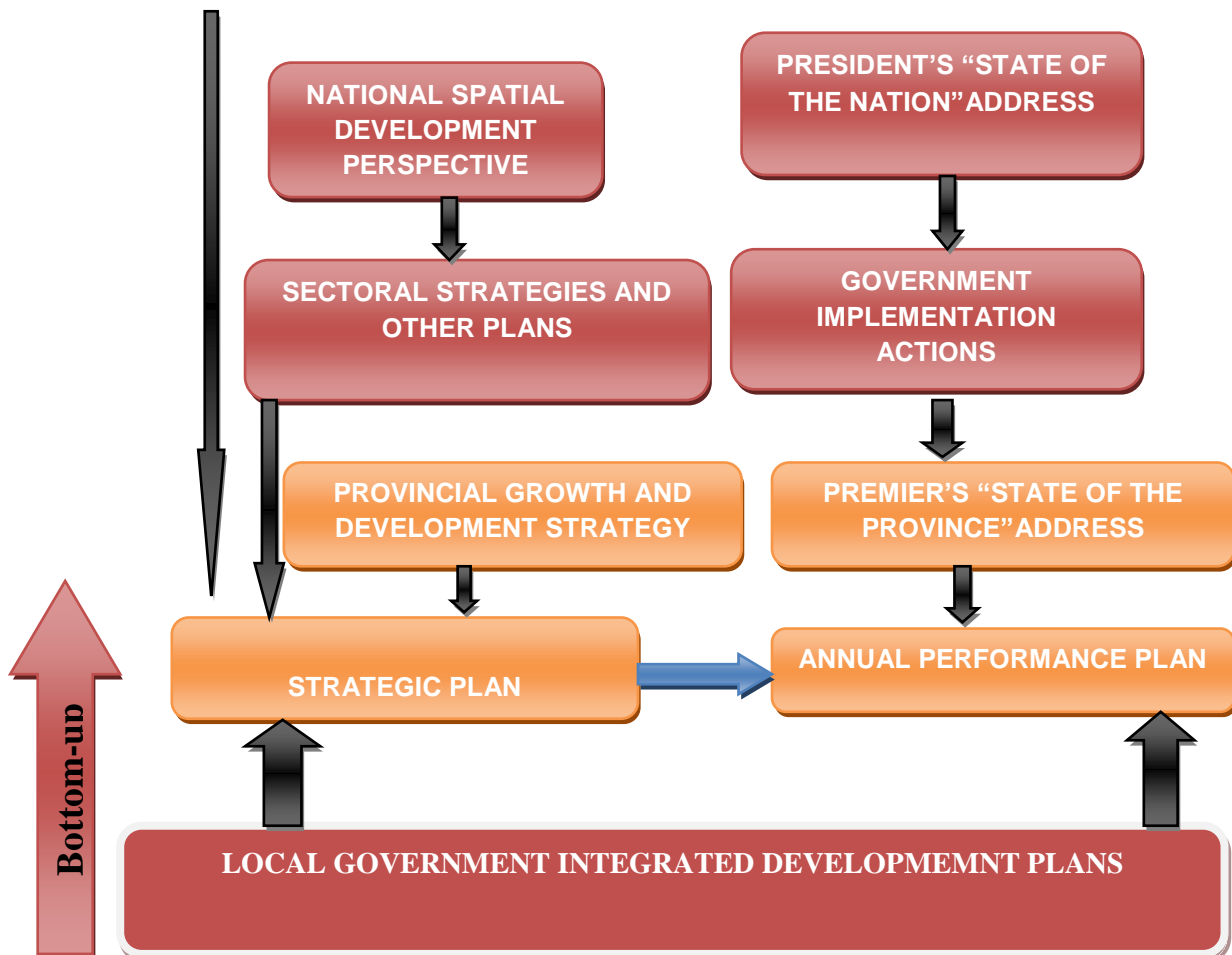


Figure 6: Source - National Treasury Guidelines, National and Provincial Government Strategic Plans and Annual Performance Plans, 2010

Public sector strategic planning in the South African context relies on the provisions of the Medium Term Strategic Framework (MTSF) as a base document that informs the allocation of resources and guides the planning process for all the spheres of government and other organs of the state (Republic of South Africa, 2001). It is derived from the electoral mandate and highlights government priorities over the period of the electoral term (Republic of South Africa, 2009).

Commitments made through the MTSF guide government spheres, departments and agencies in exercising their legislative and executive powers, and inform the development of their strategic plans.

The MTSF seeks to reconfigure apartheid spatial planning and set new priorities that support the constitutional imperatives of creating a sustainable society (Republic of South Africa, 2006). The MTSF also informs public sector planning as well as the plans of other government structures and agencies.

The MTSF also constitutes the basis for the development of the Provincial Growth and Development Strategies (PGDS). The PGDS is a provincial overarching strategy framework that guides the development of sector strategies, programmes and plans.

In terms of the National Treasury guidelines for the development of strategic plans and the annual performance plans, strategic plans outline the policy priorities of the institution, as well as the programmes and projects to be accomplished during a period of five-years; and they are approved by their authority structures in the light of their available resources (Republic of South Africa, 2010).

The MTSF also informs the policy directives from the President of the Republic, which in turn direct government actions as they are translated into performance plans for implementation by the administration. The performance targets flowing from the government implementation actions constitute the basis for the political directives from the Provincial Premiers. The Premier's political directives inform the development of Annual Performance Plans (APPs), which are also subject to inputs from the strategic plans of their respective provincial structures and agencies.

Informed by data from various sources, IDPs are developed at municipal levels.

The process followed in the development of IDPs is illustrated below in figure 7.

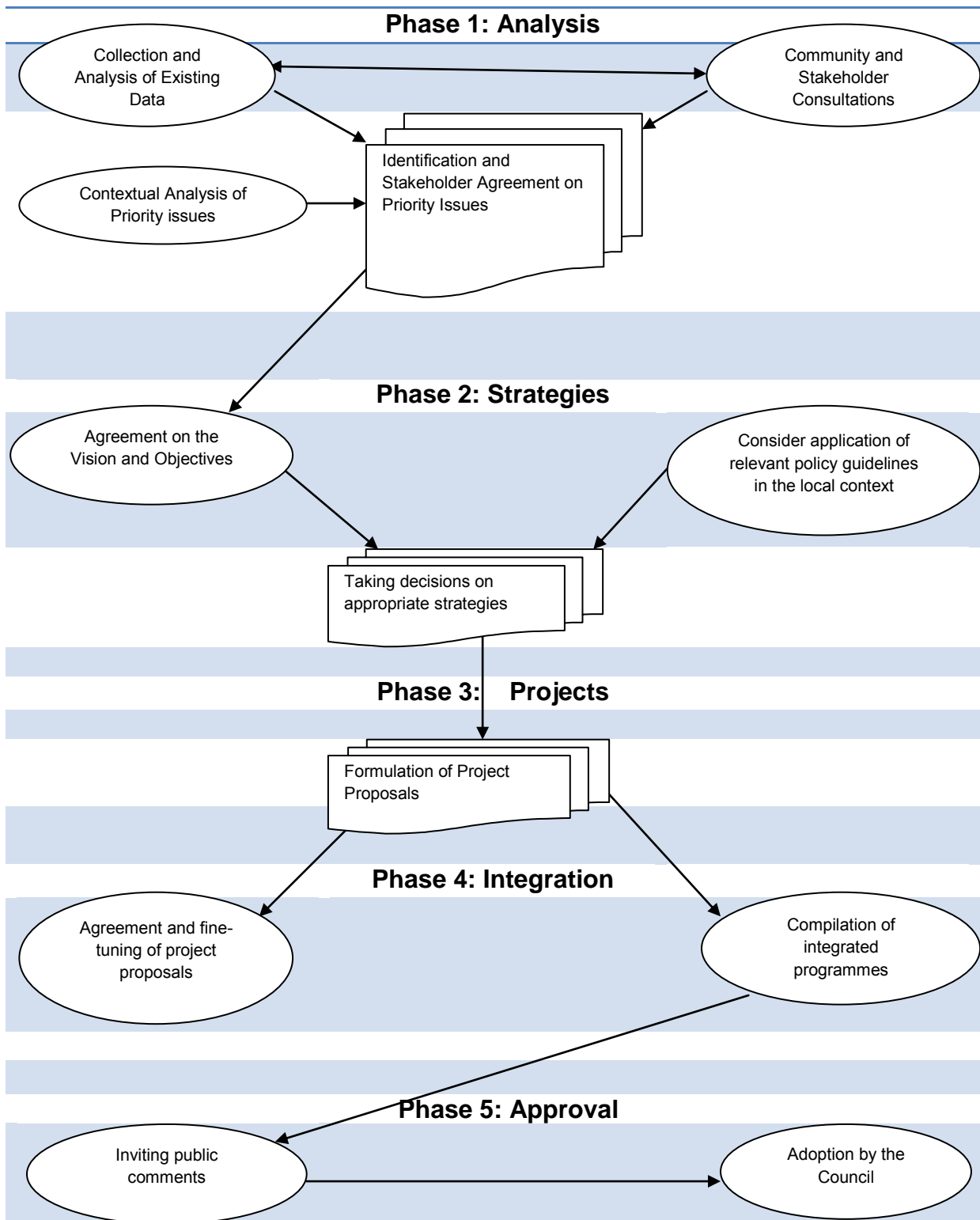


Figure 7: Overview of the Integrated Development Planning process, DPLG IDP Guidelines

The IDP process starts with a situational analysis informed mainly by secondary data derived from the review of documents and statistics, as well as by primary data derived from local communities and other stakeholders who have gathered information on the existing state of local development. This review and the stakeholder consultation assist in the identification and isolation of development priorities that the municipality and other role-players should focus on.

The next step is to draft an outline of the strategic intent, through crafting or reviewing the municipal vision and mission statement, as well as the development of goals and objectives. Policy and legislative guidelines are also considered in formulating strategies for local development.

Once there is an agreement on the strategic statements, projects are identified and described in the form of proposals with clear beneficiaries, time-frames, project champions, partners and costing, amongst other details.

The municipality will then engage in internal and external alignment with other development initiatives and programmes.

After the internal and external alignment, comments are invited from the public before the final adoption of the IDP by the Municipal Council. When the IDP is approved by the municipality, it becomes the basis for municipal budgeting, performance management, and action by all role-players when engaging in local development. Hence, it is regarded as the principal municipal strategic document in terms of section 35 (1) (a) of the Municipal Systems Act (Republic of South Africa, 2000).

3.4. Institutionalisation of the Strategic Planning function

The Municipal Systems Act puts the responsibility for the development and the management of the IDPs solely on the shoulders of the Municipality (Republic of South Africa, 2000). Section 30 of the Municipal Systems Act specifically assigns to the executive (the Executive Mayor or Executive Committee) the responsibility of overseeing its formulation (Republic of South Africa, 2000). Furthermore, section 31 provides for the MEC for Local Government in the province to oversee and support the development of IDPs, whilst section 32 assigns to the Municipal Manager the

task of submitting an adopted IDP to the MEC for Local Government in the province.

The regulatory framework does not prescribe to the municipality how it should institutionalise the planning function. The IDP guidelines are process-orientated and are not meant to guide the institutional arrangement.

National Treasury guidelines for the development of strategic plans and annual performance plans also do not specify internal institutional arrangements for the management of strategic plans, but identify institutions that are responsible for the delivery of the strategic planning outputs.

Besides the National Treasury guidelines, Chapter 2 of the IGR Framework Act establishes coordinating structures at different levels (national, provincial, and district) for the purposes of coordinating government planning, policy development, service delivery, monitoring and evaluation. However, they are non-statutory structures that are regulated through memoranda of understanding.

3.5. Summary and Conclusion

In reviewing the regulatory framework governing public sector strategic planning, the primacy and the supremacy of the South African Constitution has been acknowledged. The South African Constitution lays down the principles that underpin the policy and legislative framework for strategic planning in the South African public sector.

The notion of the democratic developmental state finds expression in the South African Constitution and runs through all the subsequent policies and statutes. In support of this new paradigm, the Municipal Systems Act calls for development-orientated Local Government planning. It identifies the IDP as a vehicle for delivering the development-orientated plans.

Supported by the GTZ, the DPLG developed guidelines for the development of IDPs. The guidelines are responsive to the principles laid down in both Chapter 3 of the South African Constitution on Cooperative Government and the IGR Framework Act.

Acknowledging the inter-linkages between planning and budgeting, the National Treasury developed generic guidelines for all Government Departments and agencies to facilitate a systematic approach to public sector strategic planning. In terms of the National Treasury guidelines for the development of strategic plans and the annual performance plans, a point of reference is the MTSF (Republic of South Africa, 2001).

The National Treasury guidelines are responsive to the provisions of the PFMA and the Municipal Finance Management Act (MFMA) as well as the principles of the Development Facilitation Act, as the latter calls for the reversal of the effects of apartheid planning (Republic of South Africa, 2001).

The establishment of the National Planning Commission and its provincial chapter in the Eastern Cape should be welcomed in that their purpose is to support endeavours to bring about coordinated and coherent public sector strategic planning.

Whereas the regulatory framework is clear in its intentions and provisions, it is also essential to consider its application in a given context. The next chapter will introduce the Eastern Cape Provincial and Local Government as the case study to which the discussions of both chapter 2 (the literature review) and chapter 3 (on the regulatory framework) will find expression. This will create space for testing the relevance and appropriateness of the theoretical arguments and regulatory directives in a given context from which lessons will be drawn to guide efforts at aligning the strategic planning practice between the provincial and the Local Government spheres.

CHAPTER 4

CASE-BASED EVALUATIVE ANALYSIS: STRATEGIC PLANNING IN THE EASTERN CAPE PROVINCIAL AND LOCAL GOVERNMENT SPHERES

4.1. Introduction

In the previous chapter, we explored public policy and the legislative framework that regulates the practice of strategic planning in the public sector, as well as its institutionalisation at a provincial and local government level. This chapter will draw from the previous chapter as well as from chapter 2, which briefly presented the theoretical perspectives on strategic planning. An analysis will be done and reference will be made to the discussions of the previous two chapters with specific application to the Eastern Cape (EC) provincial and local government spheres.

The aim of this chapter is to explore the application of the previous two chapters (chapters 2 and 3) to the Eastern Cape provincial context, and examine how the targeted research population attends to the task of strategic planning.

It is intended for the case study to reveal the state of strategic planning in the EC provincial government. As a point of departure, a preview of the provincial governance structures will assist in facilitating a fair comprehension of that context.

4.2. Overview of the Eastern Cape Government

The Eastern Cape (EC) is the third biggest province in South Africa, with a population estimated at about 6.4 million people, according to census 2001. The EC has predominantly African people (88%), Coloured people (7%), White people (5%), and Indian people (less than 1%) (Census, 2001).

The EC is divided into 6 districts, namely; Alfred Nzo, Amathole, Cacadu, Chris Hani, Joe Gqabi and OR Tambo, as well as two metropolitan municipal areas, namely Buffalo City and Nelson Mandela Bay. The districts are collectively comprised of 37 local municipalities. Overall, the province covers about 170 000 square kilometres, which is approximately 13.9% of the South African soil (Eastern Cape Province, 2004, p.22).

The provincial legislative authority is held by the provincial legislature under the leadership of the Speaker, and this body may pass a provincial constitution as well as provincial specific legislation and policy regarding matters that concern the province, in accordance with its constitutional mandate (Republic of South Africa, 2003, p.17). The Premier, assisted by the executive council drawn from the provincial legislature, holds the executive authority (Republic of South Africa, 2003, p.18). Both the provincial legislature and the provincial cabinet with its administration operate from Bhisho³.

The municipalities are headed by municipal councils (made up of elected councillors), who have both the legislative and executive authority over matters identified by the Constitution (Republic of South Africa, 2003, p.19). The Municipal Structures Act, 117 of 1998 makes provision for three categories of municipalities, namely metropolitan municipalities (Category A), local municipalities (Category B), and district municipalities (Category C). Each of these municipalities is allocated powers and functions assigned to it by the Member of the Executive Council (MEC) responsible for Local Government. The MEC derives this authority from section 126 of the Constitution, 1996.

It is these governance structures in both the provincial and local government spheres that constitute the target group of this study, and from which a sample of respondents is drawn. Reflections from the inputs of the respondents are discussed in the next chapter as findings. The institutionalisation of the strategic planning function in the public sector, discussed in section 3.4 of this document, serves as a prelude to the understanding of the location of the strategic planning function in the EC government.

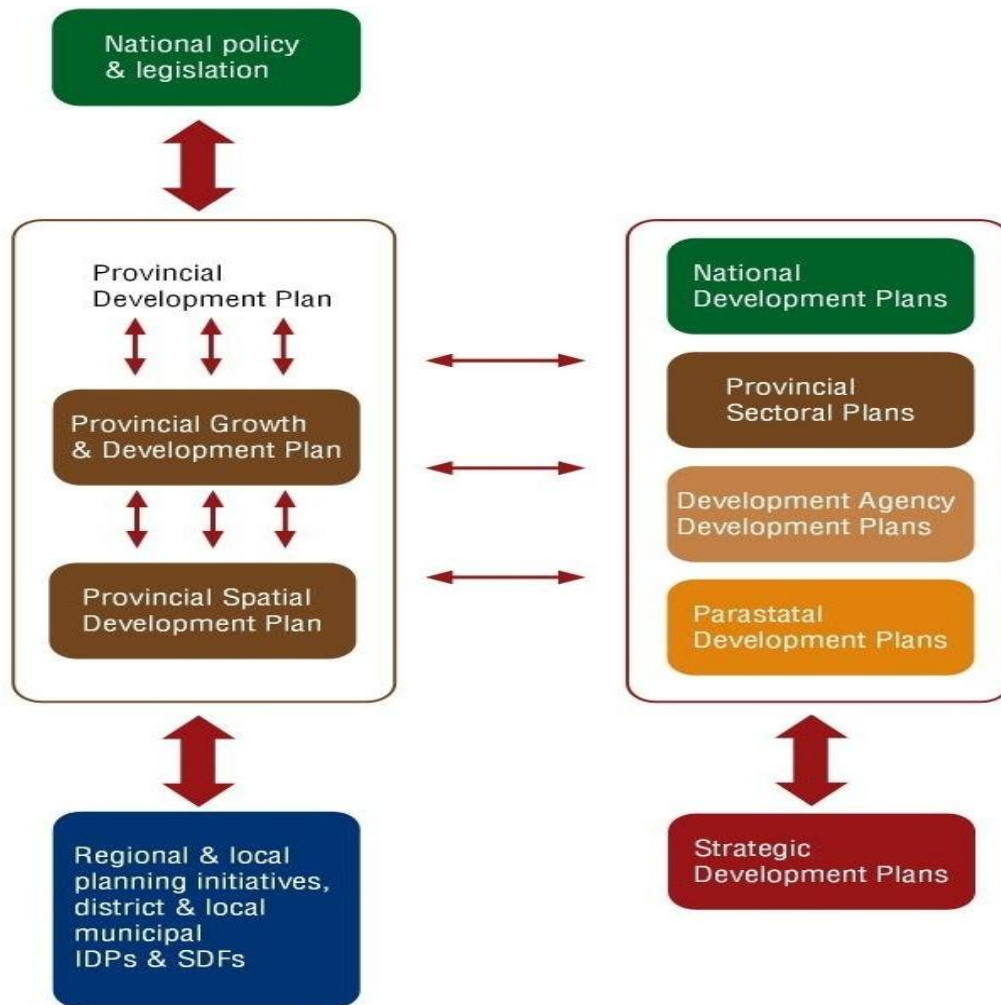
4.3. Location of the Government Planning Function in the Eastern Cape

In 2004 the EC government adopted a Provincial Growth and Development Plan (PGDP) as a provincial strategic planning framework to guide its socio-economic strategic planning for the next 10 years (2004-2014).

The PGDP outlines how the current practice of strategic planning in the EC province is shaped, and this is illustrated below in figure 8.

³ Bhisho is the capital town of the Eastern Cape. It is a small town falling under Buffalo City Metropolitan Municipality.

Figure 8: Source: PGDP (2004-2014), Provincial and Local Government Planning Framework



The Constitution, 1996 as well as the supporting policies and legislation derived from the Constitution compel the provincial and local government to conduct strategic planning, and this extends to all of the government agencies as well as other organs of the state. It is through the National Spatial Development Framework (NSDF) that the national government expresses its intentions regarding the use of the national spatial economy (Eastern Cape Province, 2004). The NSDF responds to the policy provisions of the White Paper on Spatial Planning and Land Use Management. It communicates a strategic orientation and identifies the priority growth areas towards which all government efforts should be directed.

The PGDP is informed by the objectives and priorities identified in the NSDF, and this in turn informs the content of the Provincial Spatial Development Framework (PSDF), which spells out how the EC intends to use its space economy. It is from both the PGDP and the PSDF that the different sectors, including the line departments and agencies, are expected to derive their strategic plans. It is also on

the basis of the PDGP and the PSDF that municipalities are expected to develop their own IDP and Spatial Development Frameworks (SDFs).

The Office of the Presidency established a National Planning Commission (NPC) to further advance the notion of a coordinated long-term planning, through setting shared priorities (National Planning Commission , 2011, p.1). It is this concept that the EC government seeks to replicate at a provincial level through the establishment of the Provincial Planning Commission. Following on the example of the NPC, which recently developed a report entitled “Diagnostic Overview,” that identifies the socio-economic development status quo and the key development priorities, the PPC is currently engaged in the development of baseline information that will constitute the foundation for a Master Development Plan of the province, as a long-term plan that will replace the PGDP from 2014. This is an important project, as it will assume the status of a provincial principal planning framework from 2014 to 2030.

In the next section we will look at how the practice of strategic planning in the EC has found expression.

4.4. The Practice of Strategic Planning in the EC

Strategic planning features prominently in how the Provincial and Local Government in the EC conduct its governance business. All government departments and municipalities have institutionalised the function of strategic planning into their business operation. Strategic planning as a management technique has gained recognition for improving service delivery in the public sector.

All government departments and structures are now bound by regulations to conduct strategic planning if they are to receive their share from the national purse through Treasury.

The placement of strategic planning coordination with the Provincial Treasury in the EC and the emphasis on the inter-linkages between strategic planning and budgeting has driven home the idea that strategic planning is a resource management tool. The positive result of this paradigm is that it promotes good practice in the use of public funds as prescribed by both the PMFA and the MFMA.

Furthermore, the strong linkages that have been created between strategic planning and the setting of performance targets have also made strategic planning a viable tool for performance management.

As we have established how strategic planning is managed in the Eastern Cape, the next section will look at how the process is undertaken at a provincial level.

4.5. Processes Followed in the Development of Strategic Planning in the Provincial Sphere

The timeframes for the submission of strategic plans by provincial departments are set out by the Provincial Treasury. It is on the basis of these timelines that all provincial departments outline their own internal processes in order to meet the generic set timeframes.

It is expected of provincial departments to submit their first draft strategic plans with their annual performance plans by July (3 months after the start of the new financial year), the second draft by October and the third submission for tabling in the Provincial Legislature or Parliament in February each year (Republic of South Africa, 2010, p.18). Thereafter, the last submission to the Provincial Treasury is due by the end of March, in time for the beginning of the new financial year in April of each year.

The head of department takes ultimate responsibility for overseeing the development of the departmental strategic plan as an accounting officer.

The process is usually driven by a directorate or unit for strategic planning in each department, who communicates the expected milestones with clear timeframes to all of the departmental directorates, sections or units.

Each department conducts an audit of the completed or current programmes, projects and activities for the purpose of establishing resource commitments that have to be rolled-over to the subsequent years. The responsible unit (in some departments it is the legal or research unit) conducts an analysis of the background information, such as policy, legislation, and new data on the programmes, projects and activities that should inform forward planning. The finance unit of the department conducts financial forecasts of income and identify financial commitments that cannot be avoided. Once all of this information has been collated

by the strategic planning unit, it is packaged to be presented to a strategic planning session that will be attended by senior managers across the department. Sometimes, relevant stakeholders from the national department and other government agencies are invited to participate in the strategic planning session. The strategic planning sessions are usually facilitated by external service providers in search of objectivity in the management of the strategy development process.

The MEC responsible for the department provides political direction by giving a keynote address to the strategic planning session. The priorities set out by the MEC are expected to shape the product of the strategic planning session.

The strategic planning session creates space for participants to generate strategies and set performance targets. After the conclusion of the strategic planning session, the strategic planning directorate or unit works very closely with the finance unit in costing strategy implementation over the short (1 year) to medium term (3 – 5 years). Once the strategic plans with the annual performance plans are written up and the costing is completed, they are submitted to the provincial legislature for approval and then to the PT for funding purposes. Subsequently the plan is used to guide departmental action for the next five years with annual reviews and performance targeting.

The provincial processes discussed above differ from the process followed by Local Governments, as will be shown in the next section.

4.6. Processes Followed in the Development of Strategic Plans by Local Government

Municipalities use the guidelines provided by COGTA in developing their IDPs. In addition, local municipalities are also guided by the district municipalities in scheduling their IDP development process, since the latter share some functions with the local municipalities falling in their areas of jurisdiction.

The process plan, which serves to guide the process of developing an IDP for each municipality, is formulated and adopted by the local municipal council. Municipalities put in place organisational arrangements through setting up both political and technical structures, which will oversee the planning process and be guided by the

process plan that schedules the activities that will be undertaken to develop the IDP.

In addition, the process plan clarifies the roles and responsibilities of each role-player in the process and outlines the timeframes of the scheduled activities to be undertaken in the development of the IDP.

The political steering committee is led by the mayor and consists mainly of councillors from the different parties in proportion to their representation in the council, to ensure fair political input into the planning process. In addition, an IDPRP that consists of different stakeholder-representatives is established for the purpose of facilitating community and stakeholder participation in the process. The IDP representative forum is chaired by the mayor as the political head of the municipality.

The technical committees are led by the municipal manager, and usually consist of some selected members of staff. In addition, the technical committees may contract the services of external service providers to enhance their technical capacity in completing the development of the IDP.

The process usually starts with councillors engaging in initial consultation with their constituencies (wards and political parties) to ascertain the extent to which the municipality has dealt with its previous challenges, as well as to find out about their current priorities.

Parallel to the consultation process, the responsible technical staff (sometimes with the assistance of contracted service providers) conducts a situational analysis based on secondary sources (such as statistical updates, reports and other relevant documentation) to establish the present situation. The situational analysis is then presented to the IDPRP for confirmation and refinement in order to prepare for the development of strategies. Government departments with regional offices in the municipalities are normally invited to submit their respective plans for consideration when strategies are formulated and priorities are identified.

Strategy development usually takes place in stakeholder-inclusive consultative sessions led by the mayor. Once strategic statements have been formulated, projects are then identified and prioritised against the estimated income.

The responsible technical staff (usually from the finance department) will do project costing and in some cases high-level feasibility analysis in order to advise the stakeholders and councillors on the final prioritisation of projects.

The technical steering committee will then align the IDP with the budget, the performance plan of the municipality, and other internal plans. This is usually translated into the SDBIP. The SDBIP seeks to translate the IDP and the municipal budget into an operational plan with clearly quantifiable milestones to be reached at set time intervals.

Once the integration has been completed, the IDP will then be presented to the council for approval. After the approval, the IDP is then published for public comments for a period of a month. Parallel to the call for public comments, the councillors engage in public consultations.

The public comments are then incorporated into the IDP, which is presented to the municipal council for adoption. Once adopted by the council, the IDP is submitted to the provincial department of local government and constitutes a broad guideline of municipal actions for the next five years.

4.7. How Strategic Planning is linked to other Departmental Organisational Processes

The strategic planning guidelines for provincial departments emphasise the linkages between planning, budgeting and performance management.

As required by the NT, departments submit their respective draft strategic plans with annual plans together with the budget and new expenditure estimates by July of each year. In January of each year, departments submit performance indicators and targets with their APPs, as well as their respective contributions to the final chapters on the estimates of national expenditure (ENE). In February of each year, when strategic plans are presented to the provincial legislature, they are tabled together with the departmental budgets with a strong emphasis on the linkages between the two.

Performance reporting on both the implementation of the APP and the departmental budget is made in each quarter; even though financial reporting is also done monthly. There is also a strong emphasis on linking financial performance with

performance on the implementation of departmental annual plans that are derived from the strategic plans. The annual report for Provincial Departments includes reports on specific functions such as financial performance, the achievement of the planned programme, and the status of the various projects for which the department is responsible.. Performance-based contracts for senior managers are derived from the SP, APP, MTEF, and annual budget of the department.

The inter-linkages between strategic plans, financial plans and performance management plans are shown in figure 9 below.



Figure 9: Inter-linkages between strategic planning, financial planning and performance management at a Provincial Government level

4.8. How Strategic Planning is Linked to other Municipal Organisational Processes

As indicated in section 3.3 the IDP is a principal or super strategic plan of the municipality and therefore all plans (both financial and programme-based) are expected to find expression within it.

The costing of projects in the IDP constitutes the basis for the drafting of the municipal capital budget. The IDP provides the basis for the justification of the capital expenditure in areas of strategic importance for the municipality. For this purpose, the adoption of the IDP and the budget are usually done simultaneously, since the former informs the latter. The adoption of the IDP and the municipal budget by the municipal council must have taken place by the 31st of May of each year, in time for the start of the financial year on the 1st of July of each year. It is expected that by the beginning of the new financial year, the planning process for the subsequent financial year will have been set in motion.

The IDP identifies key deliverables as well as performance targets (both qualitative and quantitative) and allocates specific actions to relevant departments, directorates, units or offices. These targets are then translated into performance targets for the entire institution, as well as composite departments. The institutional targets constitute the basis for the performance contract of the municipal manager, whilst the departmental targets constitute the basis for the performance contracts of the departmental heads.

The IDP targets as well as the costing of IDP projects, activities and overheads are incorporated into the municipal budget, whilst the targets with clear milestones constitute the key components of the performance management system. The inter-linkages between the IDP, municipal budget and performance management system is shown in figure 10 below.

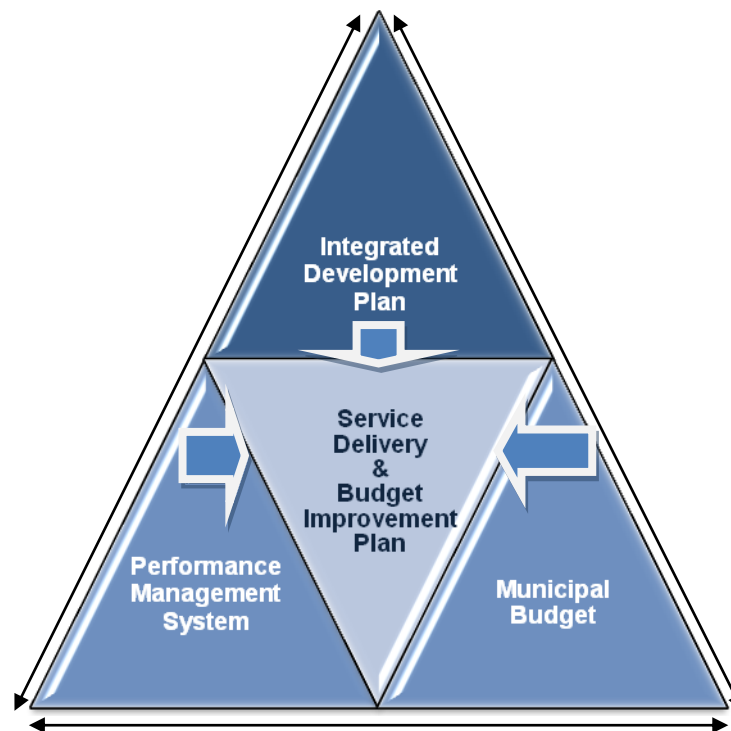


Figure 10: Inter-linkages between IDP, Municipal Budget and Performance Management System

4.9. Summary and Conclusion

The provincial context was introduced in this chapter in order to establish the manner in which the public sector, specifically the provincial and local government spheres, takes charge of the strategic planning function.

The use of SP guidelines by the NT and the IDP guidelines by DPLG (now COGTA) has led to the standardisation of the practice of strategic planning at all levels. The unintended consequence is that this has made strategic planning in the public sector a compliance issue rather than a matter of strategic choice. It is these guidelines that we want to review in the next chapter to establish the extent to which they facilitate the alignment of strategic planning efforts between the provincial and local government spheres. The next chapter will also attempt to ascertain if there are other factors that hinder strategic planning alignment. The next chapter will assume a solutions-oriented approach rather than presenting a mere critique of the public sector strategic planning guidelines.

CHAPTER 5

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

The basic aim of this study was to identify the factors that hinder the alignment of strategic planning efforts between provincial and local government spheres in the Eastern Cape. As discussed in chapter 3 of this document, the regulatory framework for the public sector is explicit in its intentions to enforce cooperative governance through effective inter-governmental relations.

The theoretical propositions and the policy as well as the legislative framework governing public sector strategic planning have already been reviewed in this study. The purpose of the review was to establish the theoretical foundation of the study and to re-examine the regulatory framework guiding the practice of public sector strategic planning and its institutionalisation.

The study needed to establish the extent to which the strategic planning guidelines (as an independent variable) can be manipulated to facilitate the alignment of strategic planning between the provincial and local government spheres. The guidelines were therefore the subject of the discussion with the informants of this study.

An empirical investigation was used to collect data from primary sources, drawn mainly both from the provincial departments and from the different categories of municipalities in the Eastern Cape. 15 respondents out of the target group of 16 were reached.

The collection of data from the respondents sought to establish the practice of strategic planning in the public sector, and the extent to which the strategic planning guidelines laid down by the NT and the Department of COGTA are found to be useful by strategic planning practitioners in both the provincial and the local government spheres. The findings presented in this chapter capture the responses of the respondents gathered through interviews, and constitute the basis for the recommendations made after the conclusion of the study.

It is important to note that all of the respondents in this study had between 5 and 16 years of experience in public sector strategic planning in different capacities, as facilitators, resource experts or participants in strategic planning, as illustrated in Table 1. As a result they were at ease with this type of study and were able to share their wisdom.

Respondents	No. Years in each capacity		
	Facilitator	Resource Person/ Expert	Participant
1. Office of the Premier, Strategic Planning Unit	8	10	7
2. Eastern Cape Socio-Economic Consultative Council, Strategic Planning Expert	10	15	8
3. Provincial Treasury, Internal Strategic Planning Unit	7	5	12
4. Provincial Treasury, Universal Strategic Planning support Unit	5	16	15
5. Interim Provincial Planning Commission Secretariat	12	14	10
6. Department of Local Government and Traditional Affairs, Strategic Planning Unit	11	8	7
7. Department of Local Government and Traditional Affairs, IDP support Unit	10	5	9
8. Department of Safety and Liaison, Strategic	6	5	7

Planning Unit			
9. Nelson Mandela Bay Metropolitan Municipality, Strategic Planning Unit	5	7	6
10. Amathole District Municipality, Development Planning	10	14	12
11. Joe Gqabi District Municipality, Development Planning	12	16	14
12. Gariep Local Municipality, IDP Unit	5	8	5
13. Lukhanji Local Municipality, IDP Unit	7	9	10
14. Nyandeni Local Municipality, IDP Unit	12	14	15
15. Ngqushwa Local Municipality, IDP Unit	8	12	10

Table 1: Experience of the study respondents in public sector strategic planning in number of years of involvement

The main areas of inquiry in the study included an investigation into the extent to which strategic planning is practised by both the provincial and local government spheres in the Eastern Cape, and the efficacy of the strategic planning guidelines for both spheres. It was also purposed to gather some ideas on how the guidelines could be improved to facilitate the alignment of strategic planning efforts between the provincial and local government spheres.

In approaching these pertinent areas of inquiry, in this chapter we will establish how the practice of strategic planning in the Eastern Cape provincial and local government spheres takes place as well as the various forms or approaches that are preferred. We will also look at the essential components that constitute the strategic planning process, and identify the key role-players. Discussions will also encompass the value attached by the respondents to engaging in the strategic planning process, as well as the institutionalisation of its practice in the EC government sector.

As a main point of interest, this chapter will also focus on the existing strategic planning guidelines to establish how they assist the practice of strategic planning in the EC provincial and local government sector, and the challenges facing the sector in the practice of strategic planning, and will conclude by making some recommendations on how these challenges can be dealt with towards attaining alignment of strategic planning efforts between the provincial and local government spheres.

The key respondents of the study are strategic planning practitioners from 4 selected departments out of 11 Eastern Cape Provincial Departments, who were chosen on the basis of their role in coordinating provincial strategic planning, IGR as well as support role to municipal planning. Respondents were also drawn from 7 municipalities, with a breakdown of 1 (out of 2 metropolitan municipalities), 2 (out of 6 district municipalities), and 4 (out of 37 local municipalities). Overall the sample of this study was 20% of the target research population.

This chapter seeks to capture the inputs of the study respondents and is structured along the lines of the main themes or areas of inquiry which the study sought to investigate. (The interview guide is included in this thesis as Annexure 1).

5.2. Public Sector Strategic Planning

5.2.1. Prevalence and Types of Strategic Planning in the Eastern Cape Government Sector

All 15 of the respondents stated that strategic planning features prominently in their work and is instrumental in shaping their institutional business to varying degrees. For instance, the respondent from the interim PPC secretariat identified planning as the core function of his unit, whereas all of the other 14 respondents identified it as an enabler in the delivery of their core businesses.

According to Bryson et al. (2010, p.510), public sector organisations are statutory obliged by their authority structures, which control their policy and budgetary parameters to develop strategic plans at different levels of their operation. This obligation for public sector organisation to develop strategic plans has made its practice popular in the sector as a management technique.

Bryson et al. (2010, p.501) suggests that several types of public sector strategic planning methodologies have been developed for more than 25 years which focussed mainly on the need of the public sector to be responsive and to improve its capacity to act.

This study locates planning as a cross-cutting function that is essential for every provider of public services. It points beyond the need for specialists in public

sector service delivery and to the need for considering strategic planning as a necessary supplementary competency in the field of public sector management.

Asked to identify the types of planning approaches they had experienced, the respondents included the types shown in figure 11.

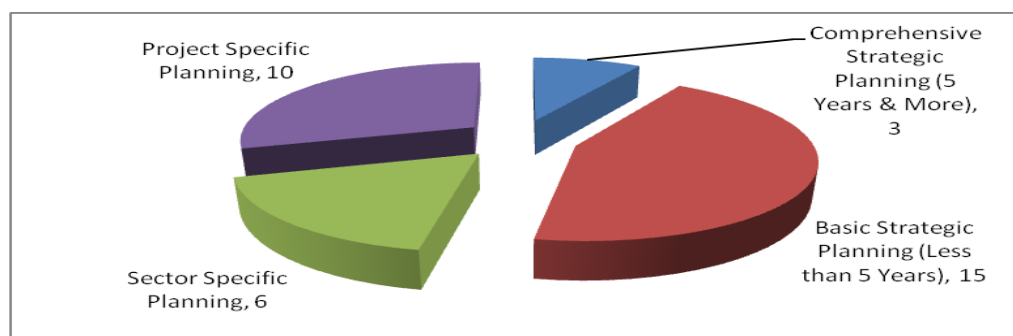


Figure 11: Types of planning processes that the respondents had experienced

All 15 respondents said they were involved in basic strategic planning with a maximum life-span of 5 years, which is usually translated into an annual business plan, operational plans or annual performance plans. The 5-year strategic plans are a regulatory requirement for all government structures in all spheres.

The popularity of short- to medium-range strategic planning arises out of its advantage in utilising data that is more reliable than would be similar data projected over a longer period, which is necessary in the case of long-term forward planning. This cautious approach to planning is sensitive to the dynamic and volatile organisational environment in which the public sector organisations operate. Long-range planning assumes that there is, at the time of planning, adequate and reliable information on which to base strategic decisions in an environment that is not fully in the control of the organisation engaged in strategic planning.

10 respondents said they were involved in planning for specific projects as part of their broad development work.

It is interesting to note that project planning was regarded by these respondents as a form of strategic planning, since it involves strategic thinking and the positioning of specific projects. It is a generally accepted point that strategic planning as a management technique cannot be fully divorced from project management.

Of all the respondents who were interviewed, only 6 had been involved in the development of sector-specific development plans such as a rural development strategy, industrial development plans, and planning for other sectors in the local government sphere. Sector planning is also a vital component of an IDP for local government.

It is also important to note that in most cases, sector strategic planning has provoked a need for policy development, particularly in areas such as rural development or urban renewal. Whether strategy or policy comes first is inconclusively debated in the literature. According to Davies (2000, p.26), “policy is a legislative function, whereas strategy is an executive function.” He contends that policy defines the parameters within which the organisation seeks to realise its purpose, whilst strategy defines the path that will be followed to implement policy. Therefore, the purpose of strategy is to achieve policy (Davies, 2000, p.30).

Only 3 of the respondents had been involved in long-range planning stretching over 20 years in the form of the EC PGDP and the EC Master Development Plan. It will be beneficial for strategic planning practitioners to be afforded an opportunity to engage in the EC Master Development Plan in order to input short- and medium-term planning aspirations within the broader long-term planning framework.

5.2.2. Essential Components of the Public Sector Strategic Planning Process

As illustrated in figure 12 below, all of the 15 respondents highlighted consideration of their strategic imperatives and process mapping of the technical strategic planning process as essential components of drawing up a strategic plan.

Davenport and Leitch (2005, p.1604) points out that public sector organisations need to be responsive to the diverse desires of their stakeholders, since they operate in a politically charged environment. In the public sector these strategic imperatives and stakeholder influences are largely political and cannot be avoided in the conduct of strategic planning.

All of the 15 respondents identified the consideration of their strategic imperatives as a key factor, and the 7 respondents drawn from municipalities stated that

municipalities are expected to consider the “state of the municipality” address made by the mayor as well as the policy and legislative framework in developing their IDPs.

It is expected of government departments to reflect on the State President’s State of the Nation address (SONA), as well the Provincial Premier’s State of the Province address (SOPA) and their MEC’s political directive when identifying their key strategic priorities. They are also expected to consider the National Outcomes set for the political heads in each line department. In addition, they also have to reflect on the legal mandate that is meant to guide their conduct.

Whereas the political directives are derived from authoritative political statements at a provincial level, such as the SONA, the SOPA and the MEC’s address, the strategic planning process is driven by the executive to the exclusion of the politicians.

The fact that the political authority structures at a provincial level are not afforded an opportunity to engage with the provincial departmental strategic plans before they are submitted to the Provincial Legislature and the Provincial Treasury for approval and funding is a serious limitation of the provincial strategic planning process.

The NT influences the government sector strategic planning process at a provincial level through setting time-frames for the accomplishment of each task. This leaves space for provincial departments to develop their own individual processes that abide by such timeframes.

It was confirmed by all 15 respondents that the guidelines for public sector strategic planning provide the necessary framework for the development of a comprehensive medium-term strategic plan.

The 7 respondents from municipalities also confirmed that the IDP guidelines fairly describe the phases that must be followed by municipalities in the development of their IDPs. Moreover it is expected of municipalities to develop process plans that map the process they intend to follow in developing their IDPs.

One of the generic steps that are followed in the development of IDPs is the situational analysis. They conduct in-depth analyses of their political, socio-

economic, environmental and technological environments, on the basis of which they are able to identify their needs, ascertain their causes and impacts, prioritise them, and develop strategic responses to them. It is in this step that the vision and mission statements are developed and reviewed. Goals and objectives are developed to guide the strategic actions, which are then translated into projects with clear purposes, beneficiaries and costs, amongst other related elements. The next step is to align the plan with internal and external initiatives, programmes and projects. The 7 municipal respondents emphasised the importance of aligning the entire IDP with other development initiatives once projects have been identified and prioritised, and thereafter to afford politicians an opportunity to approve the plan, thus making it an official policy directive.

Even though it is the IDP guidelines that are explicit on a need to put in place a process plan for developing the IDP, it is expected of the provincial departments to put in place institutional mechanism and process plan that will schedule activities to be followed in crafting their strategic plans.

Whilst 10 respondents emphasised the need for the strategic plans to be of a high quality, 8 respondents identified the inter-linkages between planning, budgeting and performance management as vital components.

An emphasis made by all the 15 respondents on the link between strategic plan and policy as a directive for action, as well as the links between strategic planning and other aspects of organisational management such as budgeting and performance management, was interesting. These inter-linkages make strategic planning an essential thread that brings together all the different parts of the organisational construct.

Only 3 respondents highlighted the need to ensure that strategic options are chosen on the basis of scientifically researched information, in particular for the purpose of long-range planning. The respondent from the interim secretariat of the provincial planning commission warned that this does not suggest that medium- and short-term planning, which are less comprehensive, do not require research in developing the situational analysis which informs strategy development. Research facilitates data collection that is useful in aiding decision making to avoid predictable hazards and secure desired outcomes.

Even though the huge costs of conducting a census need to be acknowledged, the 10-year intervals of reflecting on the socio-economic statistics of the country expose the public sector to planning based on stale data, since they operate in a dynamic organisational environment. However, it is a positive phenomenon that the development of the Eastern Cape Master Plan for 2014-2030 will benefit significantly from the 2011 census.

At least 8 respondents remarked that strategic plans are also used as the basis for financial planning, performance reviews, monitoring and evaluation; hence they should be adaptable into different formats for different purposes.

A point should be made that even with its emphasis on the process; the IDP guidelines need to factor in consideration for the format of the end product as well.

Below, in figure 12, is an illustration of the main components of what constitutes the strategic planning process, as described by the respondents.



Figure 12: Components of the strategic planning process

5.2.3. Role-players in the Public Sector Strategic Planning Process

All of the 15 respondents identified politicians as the most significant role-players in the public sector strategic planning process. They all placed emphasis on the role of the politicians in influencing the political orientation and direction of the planning process to ensure that it serves their political interests.

Poister et al.(2010, p.431) suggests that when the political context supports the strategic planning effort it becomes a source of its continued success.

When asked about other key role-players in strategic planning, the respondents identified the following role-players, as illustrated below in figure 13.

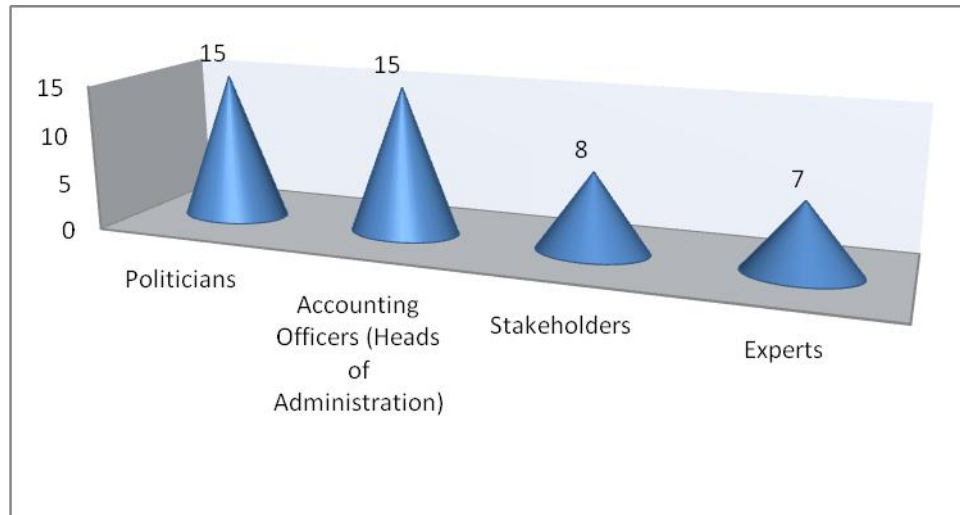


Figure 13: Key role-players in public sector strategic planning

Of the 15 respondents who identified heads of administration as critical role players, 7 from the provincial departments outlined the role of the heads of departments as that of championing institutional priorities, and the 7 respondents from municipalities suggested that the role of the municipal manager as the head of the municipal administration is to facilitate coordination and compliance. This practice confirms an assertion that was made by Davies (2000, p.26) that strategy is an executive function.

14 out of the 15 respondents pointed that there is heavy reliance on the organisational administrative units charged with strategic planning in both spheres.

Experience suggests that collective engagement in strategic planning as a process leads to collective ownership of the strategic plan as a product of that process. It is therefore important that the maximum participation of all the key role-players is mobilised if collective inputs in strategic planning processes are to be secured.

In addition, the practice of strategic planning must be infused into organisational functional systems and ways of doing things if it is to be embraced by all members of the public sector organisation.

Even though there was a general acknowledgement by all of the 15 respondents of the importance of the political role in the strategic planning processes of all government spheres, 7 respondents pointed out that this role is minimal in provincial departments, since it is only the MEC's political directives on priorities that are taken into consideration for these processes. Managers play a significant role in outlining institutional priorities and in shaping the end product of strategic planning processes.

All 7 of the respondents from provincial departments thought that there is greater emphasis on the involvement of managers in the formal provincial departmental strategic planning processes, and that the politicians input mainly on policy discussion through their standing committees. The 7 respondents from local government held the opinion that politicians are more involved in the formal IDP as the principal strategic planning tool for a municipality.

The extent to which the politicians input in the development of IDPs suggests the amount of influence they have in shaping the municipal strategic growth path. The politician-administration interface in the strategic planning processes and the dominance of the political actors is evident in Local Government only.

The inactive role of the politicians in the development of the provincial departmental strategic plan, on the other hand, is detrimental to the strategic positioning of such public sector organisations, resulting in the making of empty promises by politicians to their respective constituencies and in the administration's failing to deliver on such promises.

According to the 2 respondents from Provincial Treasury, this department has two units, one charged with its own institutional strategic planning and the other with the role of coordinating the strategic planning efforts of all departments and public sector agencies in the province.

It was raised as a concern by at least two respondents from the provincial departments and the respondent from ECSECC that the role of the Premier's

Office in the EC pertaining to the coordination of the strategic planning efforts has been reduced to the management of the IGR structures, that it has no significant role to play in coordinating the planning function of government. The delegation of the planning coordination role to the Provincial Treasury reduces planning to a compliance financial management issue. Consequently, planning in the process is mainly defined quantitatively and in financial terms, and little consideration is given to political, social and economic imperatives.

6 respondents said that it is sector planning in both spheres that has been more inclusive of strategic stakeholders, professionals and practitioners in a specific sector. All 15 respondents were of the view that in both the provincial and local government spheres, strategic planning involves in the main middle to senior managers and does not provide space for junior staff to engage in the process.

8 respondents pointed that there is a stronger emphasis on involving communities and other stakeholders in the development of the strategic plans in municipalities than in provincial departments, where the tendency is for strategic planning to be solely an internal matter. This denies the provincial departments an opportunity to benefit from inputs from other sectors.

It is a generally accepted fact that owing to its proximity to the communities, local government engages more with local communities in crafting its strategic plans than with its provincial counterpart. A point should be made that this does not justify the exclusion of communities from the crafting of provincial strategic plans.

According to Tshabalala and Lombard (2009, p.397), community participation in the democratisation of South Africa is an essential element of its political landscape. Since the advent of democratic local government, community participation has been at the centre of local government business. Municipalities have a legal requirement to involve stakeholders in the design of their strategic planning process.

Only 3 respondents thought that long-range planning such as the PGDP in the province relies heavily on well-researched data and has involved experts. The PGDP in the province involved both technical teams and political teams for the purpose of creating balanced viewpoints.

The establishment of political and technical teams for strategic planning purposes might prove worthy for mid-term provincial and local government planning.

5.2.4. Value of Strategic Planning in the Public Sector

According to Moore (1995), as cited by Alford and Hughes (2008, p.131), “public value is the value that is consumed collectively by the citizenry rather than by individuals.”

When asked about what they regarded as the value of the exercise of strategic planning in the public sector, the respondents identified at least 7 factors, as shown below in figure 14.

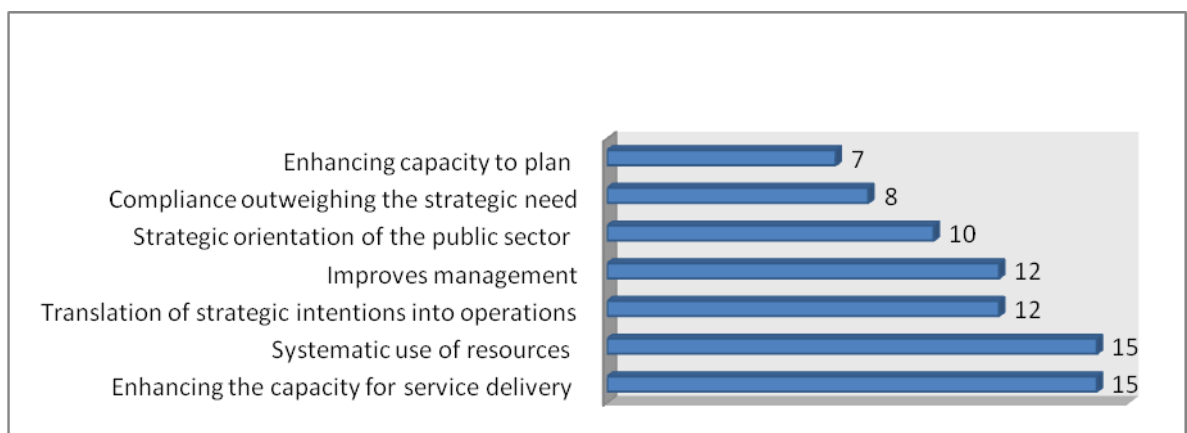


Figure 14: Key role-players in public sector strategic planning

As shown above, the 15 respondents pointed to the value of strategic planning as its ability to enhance the capacity of government to deliver services in an effective and efficient manner. This makes strategic planning an effective management tool for improving service delivery, which is the core business of government.

These 15 respondents also referred to the systematic use of resources (both financial and non-financial) as having strategic value for engaging in strategic planning processes. It is worth noting the emphasis made by the respondents on the systematic management and use of both the financial and non-financial organisational resources.

12 respondents stated that strategic planning serves both as a tool for management and control and also helps in enforcing accountability, which leads

to effective organisational management. Of these 12 respondents 9 noted that performance agreements for senior managers are derived from strategic plans.

Tait and Nienaber (2010, p.271) citing Carpenter and Sanders (2009) states that the main concern of organisational strategy is to improve performance through an effective strategy to outsmart the competition.

The 7 respondents from provincial departments said that the strategic planning process affords provincial departments an opportunity to translate national and provincial political priorities into implementable actions at a provincial level.

One of the resolutions adopted by the ANC Conference in Polokwane on the “Developmental Agenda” was the “the integration, harmonisation and alignment of planning and implementation across all three spheres of government...” (Sogoni, 2010, p.22).

All 15 respondents were of the view that the introduction of strategic planning in the public sector enforces strategic thinking in the public sector, enabling the development of visions towards which efforts could be directed.

However, 8 respondents felt that the public sector organisations don’t live their strategy in their everyday lives. Strategies are developed in strategic planning sessions and do not change the way things are done, since they are referred to only when a review is due. They are acted upon as a compliance issue rather than as a matter of strategic need. In the main, they are used for the purpose of allocating financial resources by the treasury.

Even though it needs to be appreciated that government departments develop well-prepared strategic planning documents, it is true that these documents are left in the cold of the filing cabinets and are not translated into working documents. This is a serious shortcoming since this defeats the purpose of the strategic effort.

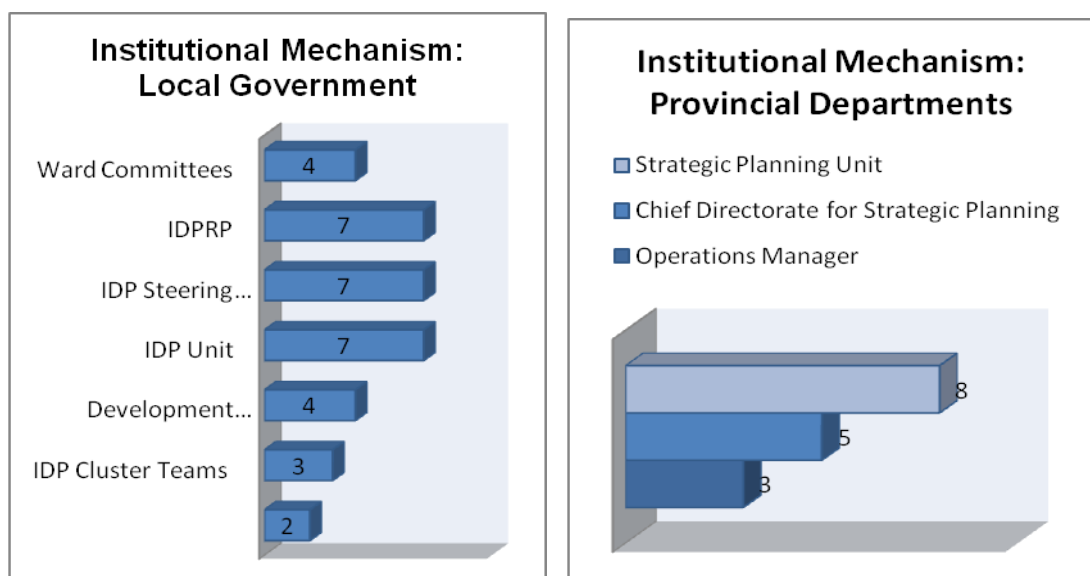
Of the 15 respondents, 7 felt that the public sector’s capacity to plan is limited. It is vital that the capacity of the public service is enhanced if the value of strategic planning is to be realised.

5.2.5. Institutional Mechanisms for the Exercise of Strategic Planning

It was revealed by the respondent from the interim PPC secretariat that best practices for setting up the institutional machinery were drawn from a study trip to Malaysia, to set up a stakeholder-inclusive reference group supported by thematic organised working groups by the Provincial Cabinet under the leadership of the Office of the Premier (Eastern Cape Province, 2004). He also stated that processes are now in place to set up institutional arrangements for the development of the Provincial Master Development Plan (PMDP), 2014-2030. Even though the development of the PGDP in 2004-2014 was led by the Premier's office (supported by ESCECC), the 2014-2030 PMDP is being led by the PT on the request of the Premier, he commented.

The learning attitude that the government in the province has embraced should be applauded, as it improves the manner in which government organisations engage in planning and governance towards improved service delivery.

All 15 respondents reflected that provincial departments and municipalities have a dedicated directorate, section or unit charged with coordinating strategic planning or the development planning function. The institutional structures responsible for coordinating strategic planning differ in the provincial sphere and the local government sphere, and these structures make use of different institutional arrangements as shown in figure 15 below. 14 respondents explained that these directorates, sections or units are responsible in the main for coordinating inputs and managing processes, through facilitating strategic planning sessions and reviews.



Figure

15: institutional mechanisms for managing the strategic planning function

The establishment of the strategic planning units or sections in provincial departments and IDP units in municipalities should be welcomed as this creates space for focussed interventions in this role.

It was said by at least 8 respondents that provincial departments receive strategic direction from their respective MECs, and 7 respondents from the municipalities noted that the mayors provide guidance to municipal strategic planning processes through giving political directives.

Since strategic planning is a cross-cutting function, the commitment of the entire organisation is mobilised through the leadership of the administrative heads of the organisation, according to all of the 15 respondents.

Of the 15 respondents, 8 pointed out that provincial departments do not necessarily establish consultative structures to input into the planning process. However, 7 municipal respondents stated that municipalities establish stakeholder-inclusive IDP consultative structures to gather much input from stakeholders and this facilitates stakeholder buy-in into the process as well as the end product.

Section 17 (2)(a) of the Municipal Systems Act, 2000 requires of a municipality to put in place means, processes and measures to facilitate community participation in the affairs of the municipality.

5.2.6. Competencies Required for Effective Public Sector Strategic Planning

Some of the essential sets of skills highlighted by the respondents are captured in figure 16 below. They include research and data analysis skills as identified by 6 respondents, who thought that research skills would enhance the capacity of the public service to plan from an informed position. Furthermore, 3 respondents indicated that there was a need to orientate the public sector towards systems thinking, as the existing planning guidelines by design advance this approach to planning. Systems thinking as a planning approach is defined by Tucker *et al.* (2005, p.495) as an influential decision-making tool that facilitates understanding of the causal factors and consequences of complex organisational dynamics in a given context.

10 respondents were of the view that it is important for the public sector to understand the political worldview of the governing party if it is to carry its mandate through to the point of execution.

As individuals, public officials may choose to be apolitical or to affiliate to different political parties of their choice; but it is expected of them to conduct themselves in an impartial manner in order to serve everyone across the political spectrum fairly. They also pointed out that the public sector needs to keep abreast with what the existing regime wants in order to be able to serve it with clarity.

All of the respondents pointed out that it is important for those who partake in the strategic planning process to understand the basics of strategic planning in order to be able to use the tool more proficiently. The need for the public sector officials to deepen their understanding of the public sector organisation's purpose, its scope, its stakeholders, and its policy and legislative environment was raised by 10 respondents. Only 5 respondents described risk-management skills as being vital in the functioning of the public sector and the practice of strategic planning.

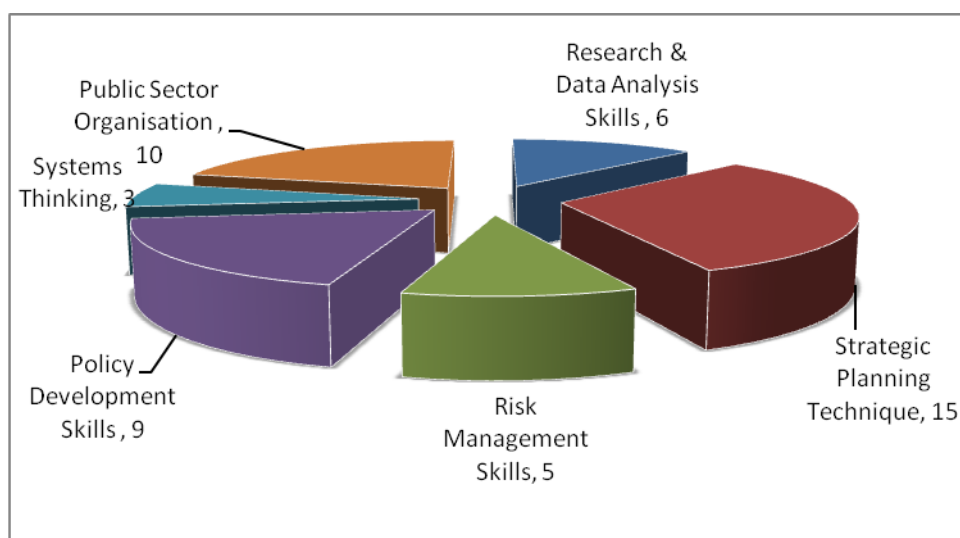


Figure 16: required competencies

It is interesting to note that the respondents included other skills sets such as policy development and project management as requisite skills in the conduct of strategic planning, and acknowledged the interdependency and interrelatedness of government structures and spheres as vital if the impact of synergy is to be realised. This will definitely give effect to the concept of cooperative government as advocated by Chapter 3 of the Constitution, 1996.

It was also thought by 8 respondents that the public sector empowers a number of people with valuable skills, but that these people leave the sector once they possess the skills that are in demand in the market. The effects of the brain drain on the sector need to be managed, as people leave the sector for better opportunities.

All 15 respondents were of the view that strategic planning requires of the public sector to sharpen its facilitation, stakeholder management and process management, as well as project management skills to ensure that strategic planning as an intervention yields the required results.

An emphasis on the need for public sector employees to hone their policy development skills, such as formulation, implementation, monitoring and evaluation skills, was made by 9 respondents.

Of the 15 respondents, 8 warned against the silo style of working between the provincial and local government spheres and amongst the departments at a

provincial level, since this does not yield positive results for cooperative governance.

Silo planning in the provincial departments and agencies and their lack of consideration for the priorities of local government have a negative impact on the coordination of their efforts. Even though there is a separation of powers between the different categories of local government, joint planning is still necessary to achieve maximum impact.

Whereas the respondents shared a large pool of the skills sets that are essential for the exercise of strategic planning in the public sector, it became clear that there is a need to change the attitudes of the people in the public service.

It is expected of the public service not only to master skills but also to deepen its understanding of the context and to embrace the new development-orientated culture.

5.2.7. Successes and Challenges in the Exercise of Strategic Planning

Asked to identify the successes and set-backs in the conduct of strategic planning, the respondents raised a number of points that are captured in figure 17, below.



Figure 17: Successes and setbacks in the practice of strategic planning in the Eastern Cape

All 15 of the respondents commended the regulatory framework for committing public sector organisations and institutions to the practice of strategic planning,

as this entrenches a culture of strategic thinking and planning in the public sector.

12 respondents acknowledged that the planning guidelines had introduced a systematic way of planning, through ensuring an organic link between the different aspects of managing organisational resources, specifically between planning and budgeting.

It is also necessary to think systematically about the degree of planning detail in each sphere. In the provincial sphere, planning should focus on setting developmental goals, and the detail of implementation should be in the domain of the local government structures.

The new strategic planning culture should be welcomed as a positive development in the management of the public service. The regulatory guidelines accord with systems thinking. There is a strong emphasis on creating linkages and alignment between the different organisational planning activities. This yields positive results and makes sense of government planning, budgeting and performance management.

It was the submission of 5 respondents that the exercise of strategic planning has empowered them with requisite skills in the conduct of strategic planning, as well as a deeper understanding of their organisation and its growth potential.

A view expressed by 8 respondents was that the practice of strategic planning in the public sector makes government action more predictable, and assists in securing informed decision making. Strategy development is in essence a process of decision making through strategic thinking, and decision making is a practice premised on making choices. Strategic planning affords organisations an opportunity to critically review choices and act in ways that will benefit the organisation, resulting in the realisation of its growth potential.

6 respondents pointed out that this new wave of public sector planning promotes cooperation between Government Departments, agencies and sectors.

Cooperation in planning is defined by Berman and Korosec (2005, 381) as a process that involves multiple organisations who collectively plan for ways in

which they can resolve problems that are confronting their organisations where the desire to resolve the problems is shared.

7 respondents from Municipalities were of the view that strategic planning encourages community participation and interactive engagement with stakeholders.

A concern was raised by 5 respondents that the provincial sphere does not engage with local communities in developing their strategic plans. Consultation with communities can produce positive results in ensuring the responsiveness of plans and interventions. Consultation can be realised through engaging the CDWs⁴.

The fact that the number of municipalities is much greater than the number of provincial departments should not be regarded as a permanent hindrance. It needs to be dealt with systematically.

Only 2 respondents raised a concern that strategic plans are sometimes not translated into working documents that guide everyday action.

Citing Ellias and Merriam, Jones (2009) once said that “theory without practice leads to an empty idealism and action without philosophical reflection leads to mindless activism”. It is in practice that we prove practicality of theory.

Of the 8 respondents from the province, 5 said the growing reliance on the strategic planning units and the lack of the participation of other departmental sections in strategic planning processes often results in failures to meet deadlines.

The institutionalisation of strategic planning in public sector organisations has made strategic planning a significant feature in their organisational make-up and development, but the downside is that planning is still regarded as a compliance issue rather than as a practice that must be valued in shaping the organisational growth path of public sector organisations.

⁴ CDWs are employed by the state to act as a link between local communities and government departments in both the national and the provincial spheres.

8 respondents stated that there is reluctance to think outside the box, and this has resulted in an incremental approach to planning, as the subsequent years use the preceding year as the basis for conducting forward planning.

Planning is a costly exercise, funding is limited, and this leads to limited results being derived from the process. It is usually difficult to arrive at priorities since there is an abundance of needs identified by the various sections, categories and interests of the local communities, they are in competition with one another, and resources are limited.

All 7 of the respondents coming from the municipalities said that information on available “funding envelopes” for capital projects from inter-governmental transfers and other sources is usually not available at the time of planning, making planning unrealistic. These 7 respondents also pointed out that the non-aligned budget cycles make it difficult to achieve congruency in public sector budgeting. Moreover, the non-aligned planning cycle between government departments and municipalities makes it difficult to link the processes. According to these respondents, attempts to involve government departments are made only by municipalities and it is unfortunate that government departments do not invite municipalities to participate in their own strategic planning process.

Only 2 respondents stated that there is poor long-term financial planning, which often results in the poor management of public finances. Long-term financial planning could aid the public sector in making investment decisions to secure sustainable returns for the delivery of public goods.

5.3. Strategic Planning Guidelines

5.3.1. Guidelines for National and Provincial Government Strategic Planning and Annual Performance Plans

All of the 15 respondents were familiar with the guidelines that are applicable in their respective sphere only.

The existence of different strategic planning guidelines for provincial and local government is a matter that concerns strategic planning practitioners, who see the strategic value in linking strategic planning between these two spheres.

If alignment between the provincial and local government planning processes is to be achieved, there is a need to create similarities in the design of the guidelines for both provincial and local government, which should make reference to both the process design and the format that these plans should assume. Having a single set of planning guidelines could make it possible for the different spheres to avoid the duplication of their efforts, and collected data could be used at many levels for planning purpose in all government spheres and by all organs of the state.

It was only 2 respondents from the Provincial Department of Local Government and Traditional Affairs who were familiar with the strategic planning guidelines for both spheres, since they are charged with supporting municipalities in developing their IDPs. In addition, as they are themselves a government department they are also obliged by Treasury Regulation (2001) to use the provincial guidelines in developing their own departmental strategic plans. It was also found from the 6 respondents of provincial departments that the politicians at a provincial level were less familiar with the strategic planning guidelines.

This point confirms a need to empower all of the role-players to understand their respective roles and hone their capacity to apply the guidelines more effectively.

When asked about the extent to which they are familiar with the guidelines for strategic planning, the participants responded as shown below in figure 18. The responses are reflected on a scale of 1 to 5, 1 being very poorly and 5 being very well.

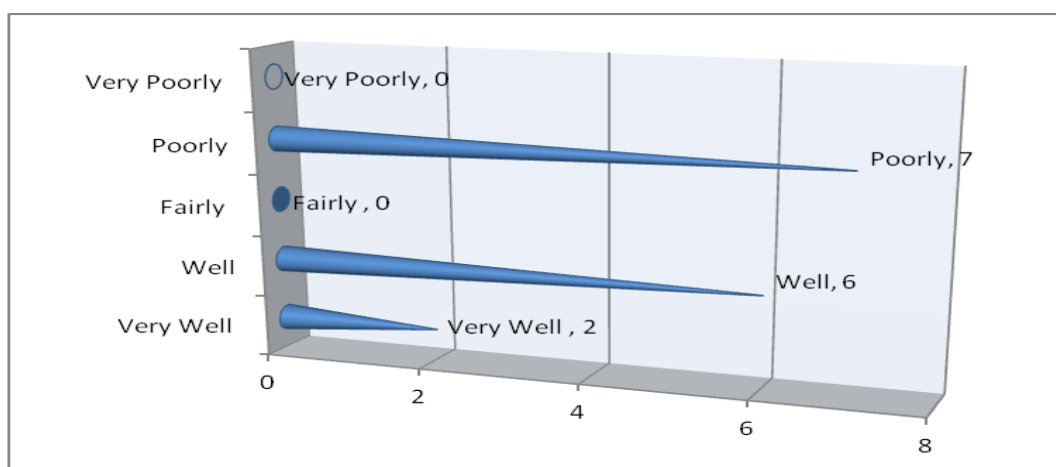


Figure 18: Level of familiarity with the strategic planning guidelines for Provincial Government

Of the 15 respondents, 12 said they understood the purpose of the planning guidelines as the standardisation of public sector strategic planning at both the national and provincial government spheres, since these two spheres share a handful of constitutional functions.

Whereas the standardisation of the strategic planning guidelines through a regulated process has assisted in simplifying the process, it has also unintentionally resulted in a lack of creativity as the government structures and agencies are expected to act within predetermined boundaries.

A point was made by 2 respondents that the guidelines are inflexible and prevent creativity. It is essential that the guidelines promote creativity and innovation in the design and management of the strategic management process. Experience has proven that successful strategic planning processes are those that create space for creativity and innovation.

10 respondents expressed the opinion that the intention of engaging in strategic planning processes is to facilitate the distribution of public sector financial resources. It is the author's view that such resources should not be limited to financially resources only, but should include material resources with no direct financial implications as well. For instance, consideration should also be made to the distribution of human capital, knowledge assets and other forms of resources that are central to organisational development and growth. This view was confirmed by 6 respondents who found the guidelines useful for the purpose of exercising control over the management of all the public resources.

7 respondents thought that strategic plans also lay the basis for reporting, whilst 8 respondents found them useful for the monitoring and evaluation of public sector performance. It is generally expected that the public service is made to account through reporting against plans, and for its performance to be constantly monitored and reviewed against plans. This is what public sector accountability in the South African context has come to mean.

The guidelines for public sector strategic planning should be commended for highlighting the importance of both financial and non-financial resource management.



Figure 19: The purpose of public sector strategic planning guidelines

13 respondents found the guidelines to be useful in general, and only 4 found the guidelines to be very useful for their purpose. The difficulty expressed by 3 respondents, including the respondent from ECSECC, was that the guidelines assume that the formats fit for all government institutions and agencies despite their size and the nature of their work.

There is also a need for the guidelines to be sensitive to the uniqueness of the different departments, agencies and municipalities by allowing space for differentiation between line functions and spheres, and for each public sector organ to reflect on the conceptualisation of issues in order to create an in-depth understanding of the issues before strategic responses are devised. The format should therefore create space for government institutions and agencies to find strategic expressions.

The planning guidelines for Provincial Government were found to be easy to follow mainly by the respondents from provincial departments, whilst the respondents from municipalities were not familiar with the provincial strategic planning guidelines.

A possible explanation is that provincial departments (in some cases) do input into IDPs, whereas municipalities are not afforded opportunities to input into strategic plans of provincial departments.

5 respondents said the guidelines were not effective in coordinating sector inputs as they are only institution-based. The guidelines should also create space for sector inputs into the public sector strategic plans, through establishing institutional mechanisms, processes and procedures for incorporating sector planning into institution-based strategic plans.

The 7 respondents from provincial departments noted that Treasury is more interested in compliance rather than in the substance of the strategic plans. Strategic planning cannot be only a financial concern, but should also and more importantly be a concern for organisational growth and development.

Of the 15 respondents, 9 pointed out that the guidelines forced them to think more about quantitative outputs than about qualitative outcomes. These 9 respondents said the guidelines lack a systematic approach to accommodate qualitative information for the planning, monitoring and recycling of information. Moreover, they claimed that the plans also lack a provision for the capturing of spatial information to locate the interventions by the various players.

Spatial development planning constitutes an essential part of IDPs, since it maps a guide for development interventions and identifies geographical areas that would benefit from such development interventions, according to Maxim (2008), as cited by Cilliers and Drewes (2010, p.3)

According to 6 respondents there is also a need to inject an outcomes-based approach into the existing planning guidelines to ensure that qualitative results are considered. Qualitative results emphasise the achievement of outcomes as an end product that assures the improvement of the life of the targeted sections of the citizenry.

A need to realign the planning cycle for all spheres was expressed by all 15 respondents. They also thought that the guidelines should be simplified somewhat and should allow for balanced political and technical input. This would help the process to be responsive to political strategic imperatives and operational realities.

9 respondents were of the view that planning should be bottom-up to benefit from the experience of those who deal with implementation issues in the field on a

daily basis, as they would be informed by practical realities rather than relying only on the direction of the senior departmental managers.

The danger with the discussions on whether planning should be bottom-up or top-down is that it could lead to unintended consequences such as the establishment of the hierarchical levels that the SA constitution seeks to escape from by referring to “spheres” as opposed to “tiers” in section 40 of the Constitution, 1996. Suffice it to say, there is a need to balance grassroots participation with the wisdom of the organisational leadership and senior management.

The following scoring was done on a scale between very easy to follow and very difficult to follow and implement:

	Very easy to follow	Very easy to follow and implement	Very difficult to follow	Very difficult to follow and implement
Politicians	4	2	3	6
Managers	7	5	2	1
Programme Staff	7	4	3	1
Administrative Staff	6	3	3	3

Figure 20: Levels to which the strategic planning guidelines are user-friendly for different role-players at a provincial level

The people who found the strategic planning guidelines to be more user-friendly were the managers and programme staff and, to a lesser extent, the administrative staff and politicians. This was expected since the former group is more hands-on in applying the guidelines in their particular provincial departments. More effective engagement of all the key role-players will not only guarantee their mastery of the process, but the ownership of the end product as well.

5.3.2. Integrated Development Plans Guidelines

The respondents who were more familiar with the IDP guidelines were mainly from municipalities as against their counterparts at a provincial level, who had only a fair understanding of the process.

It is encouraging that the respondents from the provincial government were fairly familiar with the broad process of what the IDP entails, as their input into the IDP process is vital.

Their understanding of the IDP as a tool for resource mobilisation and as a mechanism for ensuring accountability and performance excellence within the context of delegated powers and functions is helpful. This attitude embraces the developmental role of government. The IDP is highly valued for bringing together the various efforts of different role-players to the benefit of local communities.

When asked about the purpose of the IDP, all 15 respondents collectively identified the following points, as illustrated in figure 21.

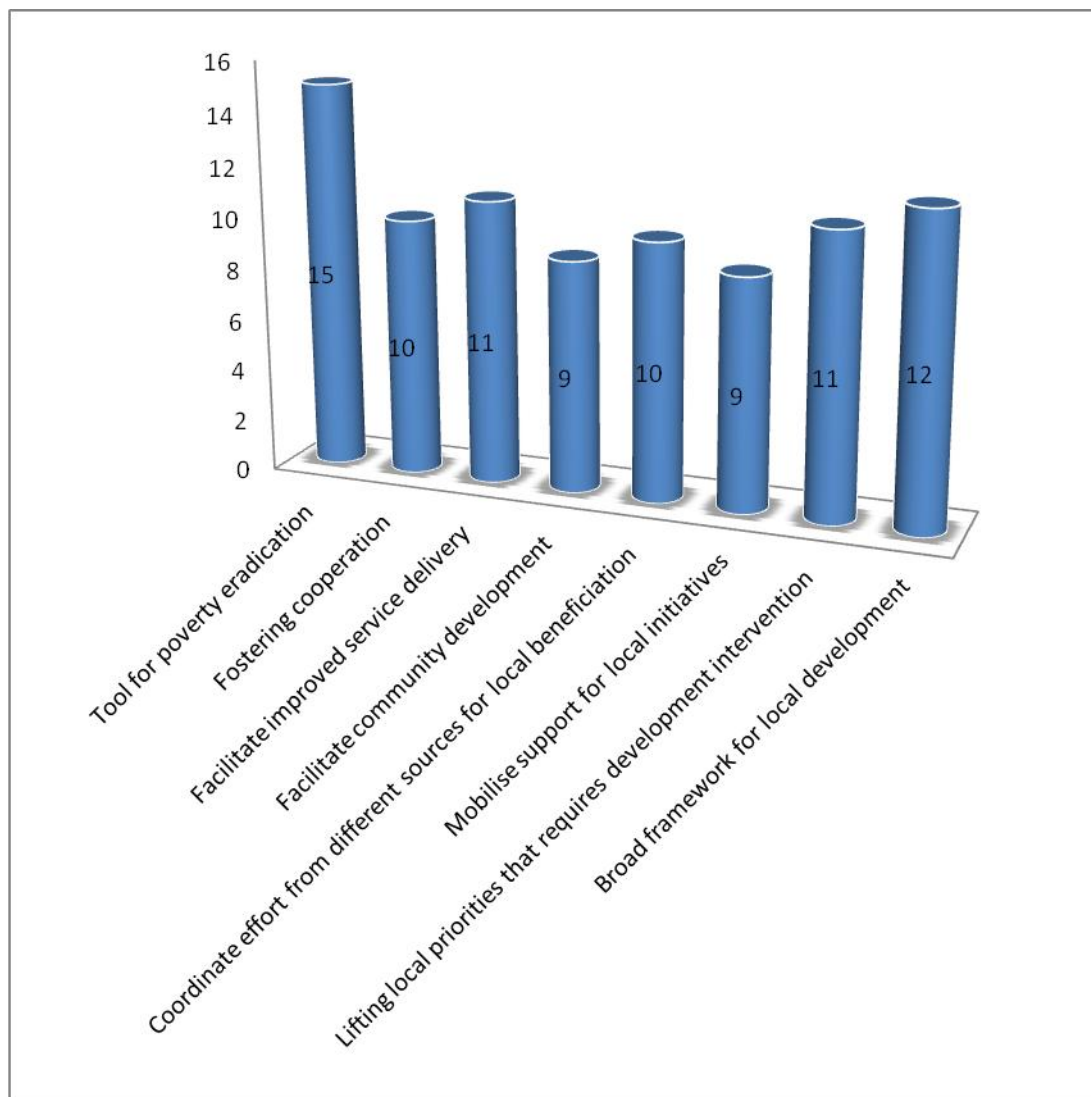


Figure 21: Purpose of the IDP

All 15 of the respondents understood IDP as a local tool for poverty eradication. It does this by identifying and isolating factors that result in the poverty of the local communities, for which development solutions must be found and included in the IDP.

10 respondents saw it as a tool for fostering cooperation amongst a range of role-players. The IDP is primarily concerned with mobilising various stakeholders in different capacities to make their respective contributions that would benefit the local citizenry.

11 respondents said the IDP assists in facilitating improved service delivery, and 9 respondents shared a view that it also helps in informing the approach that community development should take. This view conforms to the core mandate of local government to deliver services and to facilitate local development.

9 respondents thought that the IDP seeks to mobilise and coordinate the interventions from different sources around a local vision, and serves as a guide for their input. IDP, like any other strategic planning approach, is forward looking. Hence it makes use of a vision as a general guide for forward movement.

11 respondents were of the view that the strategic plan assists in highlighting critical needs to inform any development intervention. It should be acknowledged that unless it responds to the real needs of the local communities, IDP will never be worthwhile.

It was reaffirmed by 7 respondents from the municipalities that IDP is a statutory requirement that acts as a super strategic plan of a municipality by providing a broad framework for all other plans that are directed towards local development.

The basic aim of the IDP guidelines is to assist municipalities to produce credible IDPs. The IDP guidelines are regarded as generally good in facilitating the alignment of municipal IDPs with external plans and in facilitating the alignment of various internal municipal plans.

Of the 15 respondents, 9 raised some reservations with regard to the guidelines as they pointed out that the guidelines are used as a control mechanism to ensure compliance rather than being used as a resource tool. It is essential that

the strategic value of the strategic planning process is acknowledged by all, if its value is to find true meaning.

Citing Pekelharing (2008), Cilliers and Drewes (2010, p.2) point out that IDP provides municipalities with a management tool to develop “a holistic, integrated and participatory strategic plan” to direct their service delivery and development agenda.

It is important that the notion of strategic management is also embraced in the public sector, so that strategic planning is not regarded as a once-off affair but as part of the broad strategic management process.

The following table reflects the level to which the various stakeholders found the IDP guidelines user-friendly.

	Very easy to follow	Very easy to follow and implement	Very difficult to follow	Very difficult to follow and implement
Politicians	7	5	2	1
Managers	7	8		
Programme Staff	6	5	2	2
Administrative Staff	5	4	3	3

Figure 22: The level to which the IDP guidelines are user-friendly for different role-players

There is a fairly balanced level of understanding of and capacity to apply the IDP guidelines amongst municipal politicians and managers, unlike their provincial counterparts, where politicians are less familiar with using the guidelines for developing departmental strategic plans.

The 7 respondents from municipalities stated that the extent to which IDP can succeed is limited by the financial resources available for local development, as the needs outweigh the available resources.

A concern was expressed by 5 respondents that planning is regarded as a once-off affair and is normally restricted by set time-frames. According to the 2 respondents from district municipalities, local municipalities delay in submitting their own plans and this impacts negatively on their district-wide planning as it becomes difficult to incorporate local plans into district plans.

According to the 7 respondents from municipalities, there is minimal coordination amongst line departments at a provincial level to facilitate their input into the IDPs. As a result, there are some uneven inputs from -provincial departments, since their influence is determined by the extent to which they participate in specific strategic planning sessions.

5.3.3. Challenges Experienced by Key Stakeholders in Applying the Guidelines

In identifying the key challenges confronting the key stakeholders in the conduct of public sector strategic planning the following representations emerged, as illustrated in figure 23 below.

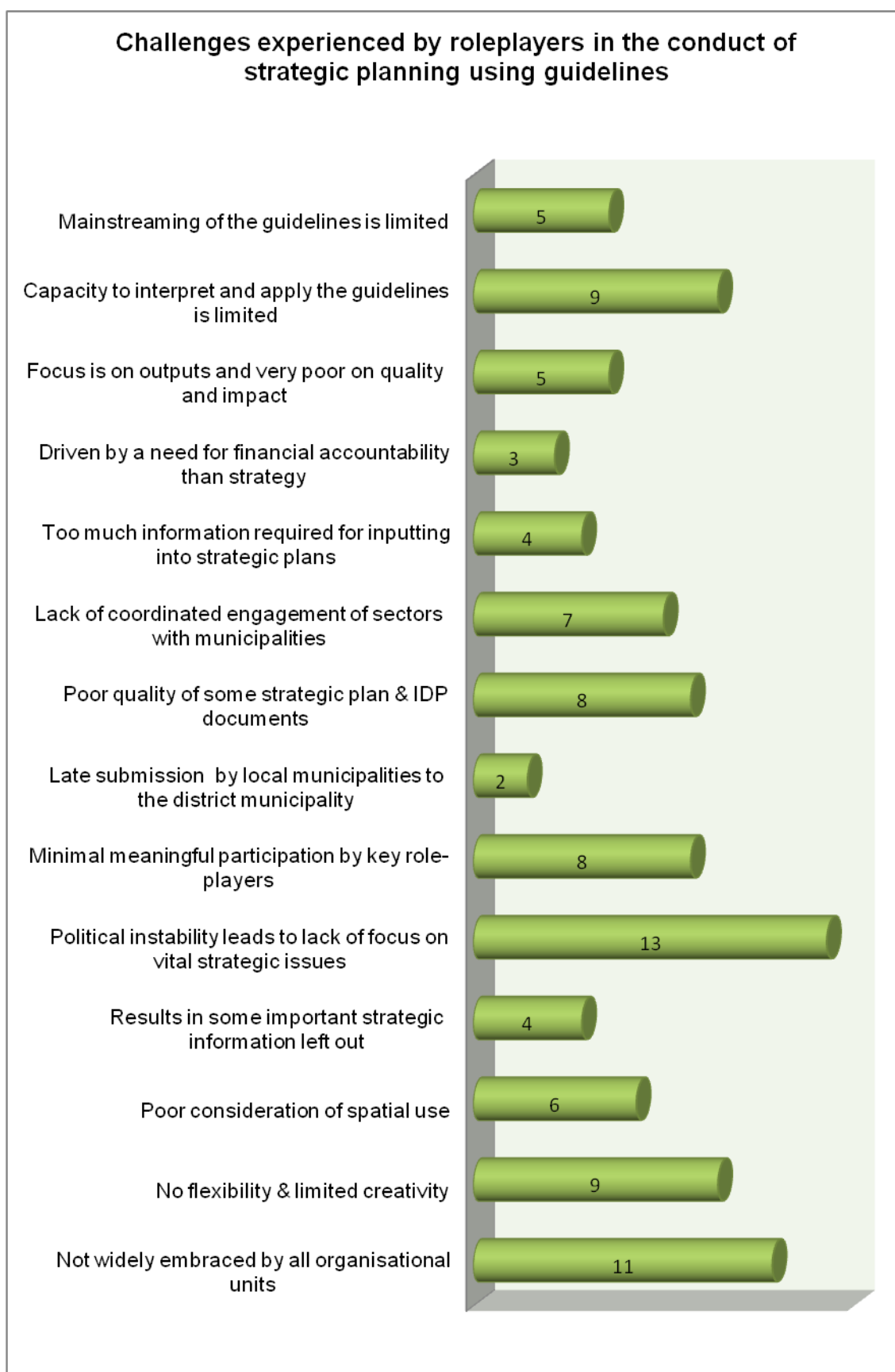


Figure 23: The level to which the IDP guidelines are user-friendly for different role-players

One of the challenges identified by 5 respondents, was the failure of the public sector to mainstream strategic planning guidelines, making them an organic part of the organisation's systems and culture.

The capacity of the public sector to implement the strategic planning processes using the existing guidelines exists in just a few officials, according to 9 respondents, who said the situation often results in heavy reliance on the few officials who act as champions of the process.

It is essential that the capacity to plan is enhanced in line with the capacity of the public sector to implement its plans and translate them into functional organisational development tools.

Owing to its orientation towards financial performance, 5 respondents pointed that there is a danger of focussing only on quantitative outputs at the expense of qualitative outcomes. 3 respondents warned that this situation leads to bias towards financial accountability rather than the development of meaningful strategies.

4 respondents said the exercise of putting together a strategic planning document is too complex as it requires the processing of a lot of information. This challenge could be neutralised through effective information management, which can empower public sector organisations with tools for generating, processing and storing information to aid decision making in strategic planning processes.

Another challenge identified by 7 respondents is that there is a lack of sector inputs into the strategic plans for provincial departments. The coordination of sector inputs and the engagement of both senior and junior members of the organisation into the strategic planning efforts remains critical in the equation.

Whereas 8 respondents referred to the poor quality of some strategic plans and IDP documents, 2 respondents said the late submission of IDPs by Local Municipalities results not only in the poor quality of the final outcome but also delays the incorporation of local inputs into district IDPs.

Even where there is participation by some stakeholders, the quality of their inputs is not meaningful since they usually send junior staff members to government strategic retreats, according to 8 respondents. Lack of regard for the seriousness

of strategic planning sessions by senior management is worrisome. Owing to its value in the organisational development of the public sector, it is important that a commitment to engage in strategic planning is received from the highest level of authority in both the provincial and the local government spheres.

13 respondents believed that political instability as a result of the contestation for power hinders effective strategic planning in local government and leads to a lack of focus on essential strategic issues. It is also important that solutions are found to address the political factors that affect the practice of strategic planning in the public sector.

4 respondents said the guidelines set some limits on the type of information one can include in the strategic planning document, and this leaves out important strategic information that could be of value to those who implement the strategy.

Whilst creativity as an inherent component of strategic planning should be encouraged, the guidelines must be improved in such a way that essential strategic information is incorporated and simplified so that all the key role-players can comprehend the process and engage effectively.

6 respondents stated that there is poor spatial consideration in provincial planning, which has implications for the utilisation of the space economy. This should be an area of concern since the space economy is an important element in the construct of socio-economic development.

9 respondents felt that the inflexibility of the guidelines limits creativity, which is essential for strategic thinking. 11 respondents said that since the guidelines are not widely embraced by all organisational units in the provincial departments and local municipalities, this situation has become a source of frustration for strategic planning champions since the inputs from other units is minimal owing to their poor comprehension of the strategic planning guidelines.

The challenges facing strategic planning practitioners are enormous, and are an embodiment of the fact that the criterion of the proof of the adequacy of a theory is in its practice. The strategic planning guidelines are no panacea, and therefore cannot be a solution to all planning problems. However, they remain an important tool to be used in shaping the practice of strategic planning in the public sector,

which should support the culture of the public sector organisations and contribute towards its definition.

5.3.4. Considerations for the Alignment of Strategic Plans

Asked about the factors that should be considered for the purpose of aligning strategic plans between provincial and local government spheres, the following points emerged as shown in figure 24.

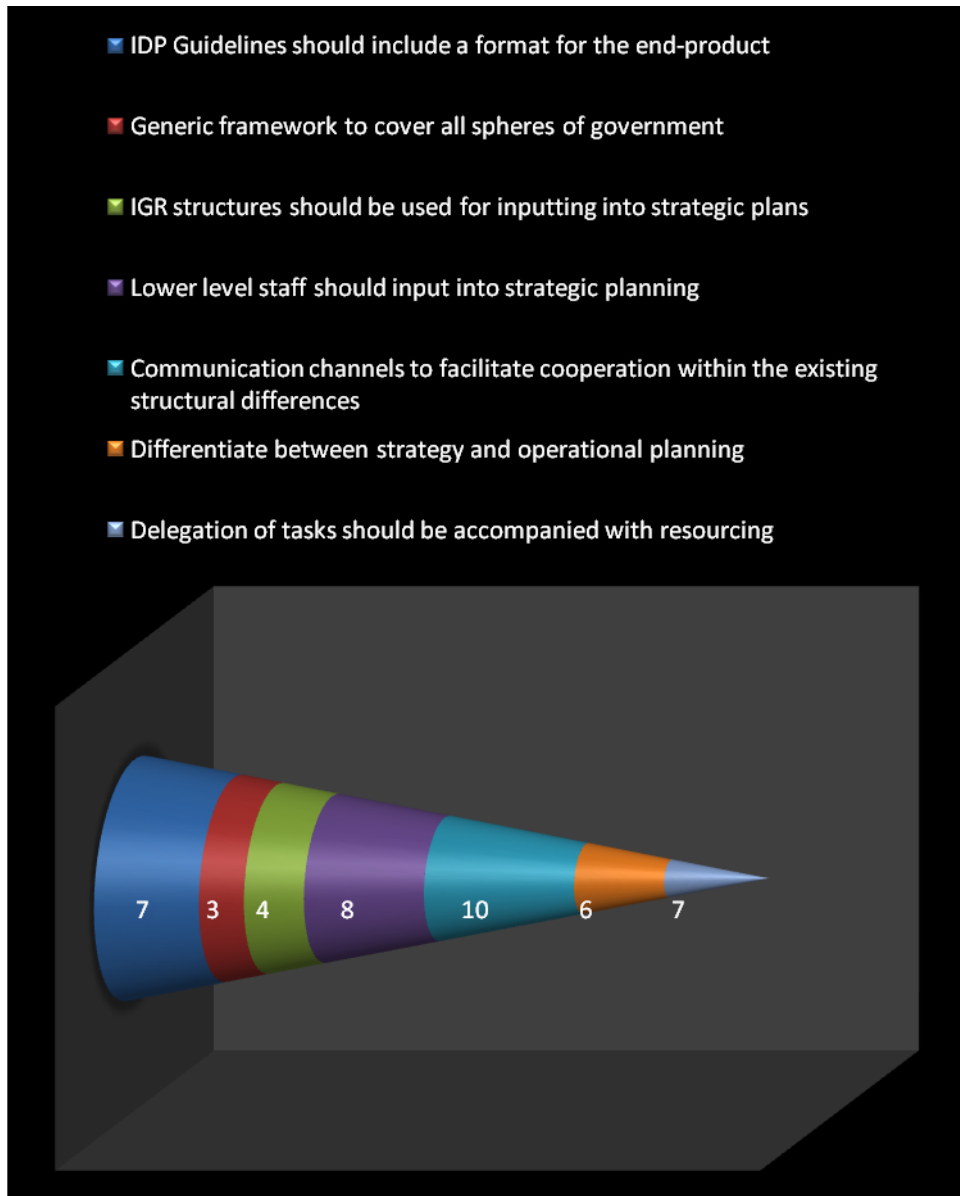


Figure 24: Factors to consider for aligning provincial and local government strategic planning

Of the 15 respondents, the 7 from Municipalities felt that the IDP guidelines should also incorporate the format of the actual IDP to facilitate easy comparison. The quality of some IDP documents requires some serious improvement in

design. It was the shared view of these 7 respondents from the municipalities that standardisation of the format of IDPs would go a long way towards improving their quality.

3 respondents were of the view that there is a need to include a generic framework that will be used to establish the alignment of planning in all spheres. Such a framework should facilitate both process and format alignment.

4 respondents suggested that IGR structures should be used to input into the strategic planning efforts and that the capacity of the people managing planning should be enhanced to augment efficiency in the management of the strategic planning process. It is essential that the existing IGR structures should play a significant role in aligning planning efforts amongst the different spheres of government, as it makes more sense to make use of the existing IGR structures to engage in strategic issues of mutual importance and feed input into the strategic planning efforts in both spheres than to create new structures for this purpose.

It was said by 8 respondents that there is a need for managers to mobilise the inputs from below in order to be able to develop realistic plans from practitioners who work on the ground. Of these 8 respondents, 3 said that planning should be focussed on responding to real challenges faced by the communities.

Of the 15 respondents, 10 raised the issue of structural differences as a contributing factor in making it difficult to achieve an intimate relationship between the different spheres of government.

According to 6 respondents there is usually some confusion between strategic planning and operational planning. These respondents also state that most government departments and municipalities tend to develop operational plans rather than strategic plans, and that this then leads to a lack of strategy.

Some other factors that compromise strategic planning alignment are external factors, according to 7 respondents. These factors impact significantly on the different structures. They include the effects of “unfunded mandates” and the dumping of projects by the national and provincial spheres on local government. Their view is that this tendency negatively affects the ability of local government

to plan and deliver its mandated services effectively, since it is expected of them to carry the burden of delivering services that are allocated to other spheres without the financial resources to do so.

Following the findings, the next section will make some recommendations on the research areas of this study.

5.4. Recommendations

5.4.1. Prevalence of Strategic Planning

Strategic planning, as a cross-cutting function, should feature as part of the mandate for every senior public official in both the political and administrative capacities. This should constitute part of their performance agreements. If this is done, strategic planning will be regarded as a matter of organisational necessity and obligation rather than a matter of individual choice.

Just as the short-term plans (the annual plans) make reference to medium-term plans (5-year strategic plans), so the medium-term plans must in turn be made to conform to the long-term or long-range plans as a regulatory requirement.

The Eastern Cape Provincial Master Development Plan 2014-2030 should serve as a guide for all provincial and local governments' strategic planning efforts in the Eastern Cape. The institutionalisation of the planning function should be supported with adequate resources and capacity.

Planning in all spheres with implications for the use of space should be agreed upon through consultations with local government, as local government is the custodian of the local space economy.

The public sector should lobby institutions of learning to include strategic planning and management as an area of study in the field of public management, to expand its influence in public sector management.

5.4.2. Essential Components of the Public Sector Strategic Planning Process

Roles in strategic planning should be clearly defined, with the politicians leading the political process and the administrators leading operational planning. It cannot be right for administrators to define the organisational strategic intent (i.e. the vision, mission, values, and principles) of the department to the exclusion of the

political leadership. Similarly, it cannot be the role of the politicians to engage in operational detail that concerns the administrators.

The need for stakeholder inclusivity should be factored into the provincial strategic planning process to ensure that provincial departments' strategic plans are responsive to stakeholder needs. This should be made a condition for the acceptance of the departmental strategic plan by the relevant authority structures.

The planning cycle and scheduling of activities should be aligned to make it possible that each sphere and line department is able to feed into the plans of the other public sector structures. This would create synergy.

Strategic plans for the public sector can no longer be based on a "thumb-suck." They must be the product of scientifically researched data, as they will involve the use of public funds that must be accounted for. As a professional requirement for these strategic plans, references must be made to reliable sources, which must be acknowledged.

5.4.3. Role-players in the Public Sector Strategic Planning Process

The politicians in the provincial sphere should be given the space to assert their leadership role in the crafting of departmental strategic plans.

The provincial planning function cannot be divorced from the processes of monitoring and impact evaluation and these complementary functions should therefore be housed in the same centre of authority.

The relationship between politicians and administrators should be clarified. Clearly, setting a strategic direction is the role that should be played by politicians, whilst the responsibility for putting in place strategy execution plans remains that of the administrators. Role clarification will go a long way in managing the interface between the politicians and the administrators in the crafting of strategic plans.

Whilst acknowledging the organisational value in setting up a dedicated unit for coordinating internal processes, it is essential that a process plan for internal processes is drawn up. The internal process plan will schedule activities, as well as the roles and responsibilities of the internal role-players to produce the

expected institutional outputs. This plan should be supported by an effective internal communication strategy.

The IDP guidelines require that a process plan be developed and that the plan should detail institutional mechanisms, the scheduling of activities and external stakeholder engagement. This should be extended to the provincial sphere as well.

In addition, an effective provincial communication strategy, which should also clarify how matters of strategic interest will be communicated with the various role-players at a provincial level, must be devised.

5.4.4. Value of Strategic Planning in the Public Sector

The current practice of aligning strategic planning to budgeting and performance management must be promoted. Moreover it is essential that strategic planning is reflected in all the facets of the public sector organisations.

The new organisational culture of public sector strategic planning must be celebrated through the sharing of best practices for the purpose of promoting its practice in the sector. This should include rewarding institutions that have successfully executed their strategic plans.

The capacity building interventions in the public sector should not be limited to strategic planning as a once off activity only, but should be extended to broader strategic management skills as a holistic management approach.

5.4.5. Institutional Mechanisms for the Exercise of Strategic Planning

The establishment of strategic planning units by government structures in each sphere should be applauded. However, these units must be empowered with the necessary resources and powers to perform their roles.

The centrality of the Office of the Premier in the Eastern Cape provincial planning process needs to be reaffirmed, owing to its strategic location in the provincial political landscape and administration.

There is also a need to reaffirm the role of the politicians in the development of the departmental strategic plans in the province. This is likely to close the gap

between the commitments that politicians are making to their constituencies and the efforts made by the public service.

The political head of the institution should be made to take ultimate responsibility for the organisational strategy, and the head of the administration should take ultimate responsibility for its operation. The leadership role cannot be left on the shoulders of the less authoritative strategic planning unit.

It should be made a regulatory requirement for government departments to conduct consultations with key stakeholders on matters of strategic priority, prior to the finalisation of their strategic plans.

5.4.6. Competencies Required for Effective Public Sector Strategic Planning

It is imperative that everyone who enters the public service is fully inducted on how the public service operates, that they fully understand the applicable policy and legislative environment, the organisational purpose, its stakeholders, as well as the strategic orientation of the sector in order to make appropriate contributions to its growth path.

The practice of strategic planning should be embodied in the broader organisational change management process, as well as other organisational development facets.

Alongside the public sector's attempts to retain its own strategic assets, the public sector should invest in knowledge management. This will assist public sector organisations in ensuring that their knowledge assets are retained even as people leave the sector for greater opportunities. This will entail devising strategies and systems for creating, developing, preserving, and packaging, recycling and using knowledge to enhance organisational business processes.

Strategic planning as well as other requisite skills that enhance the former should constitute an essential component of organisational skills development.

It is also necessary to organise joint sessions of dialogue across sectors and spheres on issues of mutual interest in order to deepen the conceptualisation of issues to inform decision making pertaining to the strategic positioning of the different public sector organisations.

5.4.7. Challenges in the Exercise of Strategic Planning

Researched information by individual organs of the state should be stored in an information portal to be accessed for use by the individual state organs when the need arises. It is a wasteful expenditure for state organs to reinvent the wheel. This information can be retrieved and packaged for each sector and sphere to use and reuse in crafting its strategic plan.

It is necessary that local government planning is more comprehensive with implementation detail on the broad provincial development goals, since it is at the level of local government that the development impact of service delivery must be felt.

It is essential that best practice case studies are written by academics and authors through engaging practitioners in sharing their experiences. In this way, lessons could be drawn to avoid mistakes being repeated in different areas.

All government spheres should be forced to start their planning processes early in the cycle in order to avoid compromising the quality of the strategic planning product. The planning and the budget cycles of both the provincial and local government spheres should be reviewed to ensure their alignment.

The provincial government and its departments should be forced to consider the priorities of local government and consult with its role-players before finalising its departmental strategic plans.

Some research is needed on the pros and cons of delegating long-term financial planning to the provincial and local government spheres, since this impacts significantly on their long-term strategic planning.

5.4.8. Strategic Planning Guidelines

5.4.8.1. Guidelines for National and Provincial Government Strategic Planning and Annual Performance Plans

It is necessary for more comprehensive and flexible guidelines to be developed, which will be relevant for both provincial and local government. These guidelines should accommodate government departments, agencies and municipalities of varying sizes. They should encourage some creativity in strategic thinking from all the government spheres.

Critical considerations for improving the alignment of strategic plans should include forcing departments to indicate how the provincial plans align with local government plans and vice-versa.

A balance should be created between the roles of politicians and technocrats in the design of strategic planning processes, allowing inputs from both grassroots practitioners and senior members of the public service.

A mechanism must be put in place to review the value of the strategic product, as well as the process within the Provincial and Local Government evaluation frameworks.

Qualitative measures must be incorporated into the planning guidelines in order to determine their impact on the delivery of public goods. Measures must include objective tests for alignment.

The use of strategic plans as the basis for government reporting should be promoted in all spheres and the extent to which synergy pays off should be monitored.

5.4.8.2. Integrated Development Plans Guidelines

The development of a five-year IDP should be preceded by a thorough review of what was achieved against the plans during the preceding term, as well as the analysis of the environmental changes that might have taken place since the previous planning exercise.

The level of planning in each area of strategic interest should be dictated by the legislated allocation of powers and functions. At the level of authority it should be more concerned with strategy, whereas at the level of service provision it should be more concerned with operations.

Issues of strategic importance should be standing items in the agenda of IGR forums at all levels.

The continued empowerment of key role-players should be promoted if maximum participation and performance is to be achieved, as sought by the guidelines.

5.4.8.3. Dealing with the Challenges

In line with the new paradigm in public sector management, mainstreaming strategic management should be positioned on the centre stage of shaping organisational culture in the public sector.

It is now essential for all members of the public service to enhance their competencies in the conduct of strategic planning. Equally, the public sector should invest in managing its knowledge assets to secure its institutional memory.

A balance has to be created between qualitative and quantitative measures in the creation of strategic public value. The guidelines should also assist in both the management of the strategic planning process and the production of credible strategic plans. A balance should also be created between the various staff inputs to benefit both from the wisdom of the senior officials and the experience of the field practitioners.

It is urgent and extremely important that political problems in our government institutions are dealt with in order to create space for a sober focus on matters of strategic priority.

5.4.8.4. Considerations for the Alignment of Strategic Plans

All government spheres should be forced to start the strategic planning process in time in order to avoid producing poor quality plans.

An effective communication mechanism between the provincial and local government spheres on matters of strategy should be devised.

Whilst advocating for the Office of the Premier to champion provincial planning and coordination, the author is also suggesting that a provincial strategic planning coordinating cluster be established to support planning efforts. This cluster should consist of the Office of the Premier, Treasury and Planning, and the Department of Local Government and Traditional Affairs, who will take charge of coordinating the strategic inputs of various government structures and support the management of the provincial planning function by the OTP.

Flowing from the study recommendations above, the following model emerges.

5.5. Emerging Model for Alignment

Figure 25 captures the construct of the model that emerges from this study.

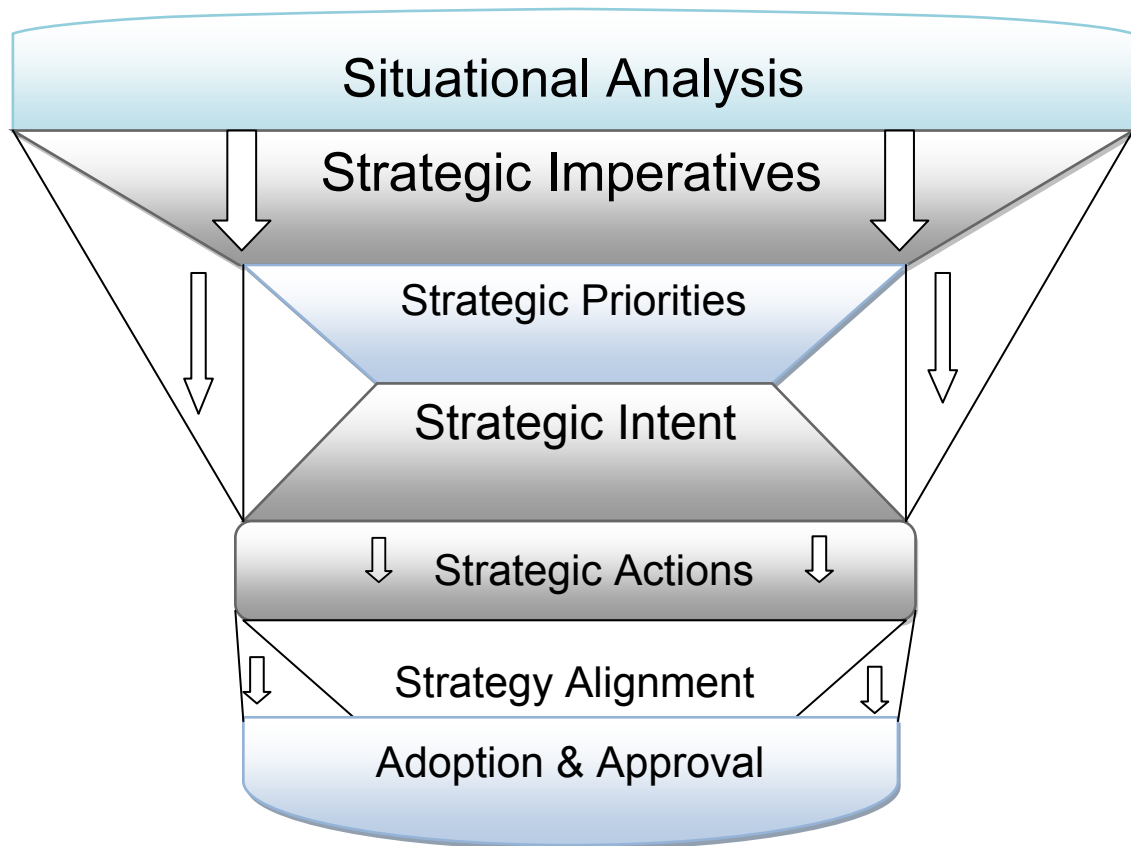


Figure 25: Emerging Strategic Planning Model

In this model, a point of departure is the analysis of the existing situation. The purpose is to identify and isolate the critical issues that affect the organisation in its current setting.

The model allows space for the application of a variety of planning approaches, such as PESTEL, SWOT, Fishbone Diagram, and Problem Tree, to mention a few. The situational analysis must paint a picture of both the internal and the external organisational environment that challenges its existence and its potential for growth.

The second step is to consider strategic imperatives, which relate to the essential components of the strategic effort. The essential components will respond to questions about why the organisation exists and what its mission is, what it is that it has to respond to and why, who constitutes the organisation and what purpose it serves, and how it can reach the position it wants to be in, in future.

The third step is to isolate the priorities in the context of the organisation's resources, the space in which it operates, and what it intends to achieve in the future.

In the fourth step, it is critical to define what the organisation commits itself to do on the basis of its priorities and to outline its realistic goals and objectives.

Once the strategic intent has been outlined, the strategic actions in the short, medium and long term are then identified and unpacked in terms of their resource implications and time frames.

After the identification of strategic actions, consideration must be given to the strategic actions of other role-players across sectors and spheres for the purpose of creating linkages, in order to be able to benefit from synergy through alignment. It is a generally accepted truth that synergy produces results that are better than results that could be obtained through individual efforts.

Once alignment has been achieved, the strategic plan can then be approved and adopted by the relevant authorities to facilitate its resourcing and implementation. After a strategy review, the cycle is repeated again.

The critical components of the model are highlighted for each step in figure 26, and the expected inputs in each step are identified.

IMPROVING THE EXISTING PUBLIC SECTOR GUIDELINES FOR STRATEGIC PLANNING TO FACILITATE ALIGNMENT				
Components of the Strategic Plan	Components of the Strategic Planning Process	Political Input	Technical Input	Community Input
Strategic Imperatives	Review of the National Strategic Imperatives	✓		
	Review of the Provincial Strategic Imperatives	✓		
	Review of the District/Regional Strategic Imperatives	✓		
	Review of the Local Strategic Imperatives	✓		
	Review of the Policy and Regulatory Framework			
	Write-up: Background to the Strategic Planning Effort		✓	
Situational Analysis	Situational Analysis	✓		
	Environmental Analysis	✓	✓	
	Organisational (Positioning, Resource, Systems) Analysis	✓		
	Stakeholder Analysis	✓		
	Write-up: Situational/Status Quo Report		✓	
Strategic Priorities	Confirmation of the Situational Analysis	✓	✓	✓
	Identification and Isolation of Critical Issues for Forward Planning	✓		✓
	Analysis of Causal Factors for the Critical Issues	✓		
	Analysis of Consequences of not Addressing the Critical Issues	✓		
	Review of Previous Responses, Programmes and Projects	✓	✓	✓
	Lessons from Previous Interventions	✓	✓	
	Crafting the Vision Statement	✓		✓
	Indicate how this Vision is Shared	✓		

Strategic Intent	Define Values, Showing how they Link with Those Embodied in the SA Constitution	✓		
	Craft the Mission Statement and Show how it Links to the Core Business	✓		
	Identify and Define Goals	✓		
	Identify and Define Strategic Objectives, Showing Links to the Vision and Mission Statements	✓		
	Identify and Define Operational Objectives, Showing the Implication for Organisational Operations	✓	✓	
Strategy Actions	Outline Strategic Statements, Showing the Implications for Organisational Operations	✓	✓	✓
	Strategy Roll-out Map and Identification of Success Factors	✓		
	Risks Analysis and Development of Risk Management Strategies	✓	✓	
	Resourcing the strategy	✓	✓	
Strategy Alignment	Show Alignment with Internal Plans		✓	
	Show Alignment with External Plans		✓	
Adoption and Approval of Strategy	Consultations with the Relevant Stakeholders	✓		✓
	Publish for the Public to Comment		✓	
	Approval of Plans by the Relevant Legislative Authority for Adoption	✓		
	Submission to the Relevant Authority for Approval		✓	

Figure 26: Key Elements of the Proposed Strategic Planning Framework

The framework builds on the existing frameworks for strategic planning in both the provincial and local government spheres, but with more emphasis on alignment and stakeholder input in both the provincial and local government structures.

The model should be studied against the recommendations made in section 5.5.

5.6. Summary

In chapter 1 a reflection on the background of the study was made, and the study rationale was also outlined. This was followed with a brief discussion of the problem that this research effort sought to study. The research question, the objectives and the research design and methodology were also discussed in the introductory chapter.

Chapter 2 discussed the theory of strategic planning in its broad sense, and reflected on its evolution in the public sector. Some models and the processes of strategic planning were reviewed. In concluding the chapter, the context and the challenges that confront the public sector in the exercise of strategic planning were explored.

In chapter 3 the policy and the regulatory framework were reviewed, as well as how the practice of strategic planning is institutionalised in the South African context.

This was followed with chapter 4, in which the Eastern Cape provincial and local government spheres were introduced as a case study from which lessons would be drawn.

Chapter 5 drew ideas from interviews with officials who are strategic planning practitioners from selected provincial departments and municipalities across the Eastern Cape. The key findings were summarised thematically and analysed. These findings constituted the basis for the study's recommendations, leading to an emerging model for aligning public sector strategic planning, which is presented in section 5.5 as a by-product of the study recommendations.

5.7. Conclusions

This study has sought to generate ideas on what can be done to improve the alignment of strategic planning between the provincial and local government spheres in the Eastern Cape. The premise from which the author moved was that

the strategic planning guidelines for both spheres can be manipulated to secure the alignment of strategic plans in both spheres.

The need for the alignment of planning arises from the principles of cooperative government as set out in Chapter 3 of the Constitution, 1996. The literature confirms that the alignment of the strategic planning efforts of all state organs and structures yields enhanced results in service delivery and development.

In section 1.3, the preliminary literature review, it was revealed that the area of strategic alignment in the public sector was identified by Bryson (2010, pp.260-62) as an area of future research interest.

The literature review focussed on understanding the concept of strategic planning and its practice in the public sector. Subsequently, an overview of the policy and legislation framework as well as the institutionalisation of strategic planning in the South African public sector was made. In setting the context, an overview was presented of the Eastern Cape government in both the provincial and the local government spheres in order to be able to apply the theoretical perspectives, policy and legislative framework to the institutional mechanisms of a particular place.

Interviews were conducted with a sample of strategic planning practitioners drawn from provincial departments and the three categories of local government (metropolitan, local and district municipalities). The selection of the Provincial Treasury as a respondent in this study was informed of the role that the Department plays in coordinating provincial strategic planning, the role played by the Office of The Premier in coordinating inter-governmental relations, the Eastern Cape Department of Local Government and Traditional Affairs in supporting Local Government strategic planning, as well as in the conduct of its own strategic planning, which resembles the processes followed by all other departments, and the Department of Safety and Liaison, which relates to the task of strategic planning, as do the rest of the provincial departments. Findings were arrived at and the analysis of the findings was performed in each area of inquiry, following the format of the question guide used in conducting the interviews, which areas constitute the basis for the recommendations of this study made in section 5.4 above.

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ANNEXURE 1: INTERVIEW GUIDE**INTRODUCTION**

Full Names:			
Name of the Institution:			
Position in the Institution:			
Contact Details	Cell:	Fax:	E-mail:
Number of years involved in public strategic planning & the capacity in which you were involved	Capacity		No. Years
	Facilitator	Resource Person/Expert	Participant

1. PUBLIC SECTOR STRATEGIC PLANNING

- 1.1. The extent to which strategic planning features in the work of the department or municipality,
- 1.2. The type of planning activities involved,
- 1.3. Role-players in the Eastern Cape Provincial and Local Government spheres.
- 1.4. The value that the exercise of strategic planning adds into the execution of the core business of Provincial Departments and Municipalities.
- 1.5. The institutional mechanisms in place to facilitate the exercise of the planning function.
- 1.6. The existing and the ideal sets of competencies that are needed for the exercise of public sector strategic planning;
- 1.7. Success stories and downfalls in the conduct of public sector strategic planning.

2. STRATEGIC PLANNING GUIDELINES: PROVINCIAL DEPARTMENTS & PUBLIC AGENCIES

- 2.1. The extent to which the respondents are familiar with both the guidelines for Provincial and Local Government spheres.
- 2.2. The extent to which they find the guidelines useful.
- 2.3. Identify who the users of the planning guidelines are & how user-friendly they find the guidelines to be.
- 2.4. The extent to which they find the guidelines successful for their purpose.
- 2.5. Key challenges that the key role-players experience in using the existing planning guidelines.

3. FRAMEWORK GUIDELINES

- 3.1. Ideas on how the existing guidelines could be improved to enhance the conduct of strategic planning in the public sector, alignment and coordination amongst government spheres.
- 3.2. Ideas on key improvements that could be effected on the planning guidelines to enhance the manner in which the public sector manages strategic planning?
- 3.3. Other factors other than planning that could hinder alignment of strategic planning efforts between Local Government and Provincial Government levels
- 3.4. Ideas on how can other factors, other than planning could be mitigated to facilitate strategic planning alignment between Local Government and Provincial Government levels